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ACREAGE RESERVE ALLOTMENT FOR CORN



HEARINGS BEFORE THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES EIGHTY-FIFTH CONGRESS

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ACREAGE RESERVE ALLOTMENT FOR CORN

WEDNESDAY, JANUARY 30, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to notice, at 10:10 a. m., in room 1310, New House Office Building, Hon. Harold D. Cooley (chairman) presiding.

The CHAIRMAN. The committee will please be in order.

We have before us H. R. 2872 and H. R. 3011.

(H. R. 2872 and H. R. 3011 are as follows:)

[H. R. 2872, 85th Cong., 1st sess.]

A BILL To amend the Soil Bank Act so as to permit wheat and corn producers outside the commercial areas to participate in the acreage reserve

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 103 of the Soil Bank Act is amended by striking therefrom the third sentence (relating to the 1956 program) and inserting in lieu thereof: "In addition to the foregoing, the Secretary is authorized and directed to formulate and carry out an acreage reserve program for wheat and corn outside the commercial wheat- and corn-producing areas, such program to be established under such terms and conditions as he determines will give producers of wheat and corn outside the commercial wheat- and corn-producing areas a fair and equitable opportunity to participate in the acreage reserve program."

[H. R. 3011, 85th Cong., 1st sess.]

A BILL To provide for a minimum acreage allotment for corn, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 328 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, the acreage allotment for corn for any calendar year beginning with 1957 shall not be less than fifty-one million acres."

SEC. 2. Price support shall be made available by Commodity Credit Corporation for the 1957 and subsequent crops of corn at a level not less than 75 per centum of the parity price therefor, as provided in the Agricultural Act of 1949, as amended.

SEC. 3. Section 408 (b) of the Agricultural Act of 1949, as amended, is amended by inserting after the first sentence thereof the following: "For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a 'cooperator' shall be a producer who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 per centum of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn."

The CHAIRMAN. Mr. McLain, we shall be very glad to hear you.

Mr. McLAIN. Mr. Cooley, I have about a 15-minute prepared statement here that I think would answer a good many of the questions, if I could present it first, and then we will be happy to try to answer any other questions.

The CHAIRMAN. All right; you may proceed.

STATEMENT OF HON. MARVIN L. McLAIN, ASSISTANT SECRETARY; ACCOMPANIED BY HON. TRUE D. MORSE, UNDER SECRETARY; DON PAARLBERG, ASSISTANT TO THE SECRETARY; CLARENCE MILLER, ASSOCIATE ADMINISTRATOR, COMMODITY STABILIZATION SERVICE; HOWARD DOGGETT, DIRECTOR, SOIL BANK DIVISION, COMMODITY STABILIZATION SERVICE; MARTIN SORKIN, SECRETARY'S OFFICE; CLAUDE COFFMAN, GENERAL COUNSEL'S OFFICE; AND R. P. BEACH, ASSISTANT DEPUTY ADMINISTRATOR, OPERATIONS, COMMODITY STABILIZATION SERVICE, DEPARTMENT OF AGRICULTURE

Mr. McLAIN. We wish to express our thanks to this committee for the opportunity to review the current situation in which not only Corn Belt farmers but farmers in every area find themselves as a result of the failure of the 51-million-acre corn-base program to be approved by the necessary two-thirds vote.

In this testimony we will analyze the effects of this vote on the soil-bank program, market prices, support prices, the surplus, and farm income.

To continue producing in excess of outlets would depress farm prices; our technicians have estimated that accumulated surpluses and excessive output reduced 1955 net farm income by nearly \$2 billion, or about 20 percent.

To continue producing in excess of markets would also increase storage costs, raise the threat of spoilage, discredit agricultural programs, and threaten the market structure at home and abroad.

The aggregate cost of such a policy, or lack of policy, would be far greater than the costs we have incurred, or are likely to incur, with programs now in operation.

But the high cost of present and prospective programs makes it imperative that these programs achieve their objectives. The acreage reserve program of the soil bank must, indeed, be successful in reducing production of crops in surplus.

Certainly there is no question about the surplus of corn for which the carryover is expected to reach 1,475 million bushels on October 1, 1957, the highest on record.

CORN AND THE SOIL BANK

The President said in his budget message:

* * * certain changes are being recommended in the corn program.

We shall outline the complex and difficult situation which confronts corn growers and then indicate the legislative changes which appear desirable.

Corn, our most valuable single crop, is not well adapted to acreage controls. Less than one-third of it is sold off the farms where it is grown. Since only a small part of the corn crop enters trade channels, marketing quotas will not work, as the Congress wisely recognized when it repealed them in 1954.

Hence the corn program must be voluntary. Since 1954, less than half of our corn farmers have come into the acreage control program. Such reductions as they made were largely offset by other farmers who increased their acreage.

Corn production has expanded outside the traditional corn-producing area. When the commercial corn area was first outlined in 1938 it included 566 counties in 12 States. Now it includes 894 counties in 24 States.

When Congress was giving consideration to the soil bank features of the Agricultural Act of 1956 it gave special recognition to the problem of corn. After very careful analysis of the factors affecting the level of corn acreage allotment and relationships of corn to other basic commodities it was determined to eliminate the 43 million allotment for 1956 and to substitute a 51-million-acre base. This decision was based on the following factors:

A. In adjusting to their allotments producers of other basic crops diverted a substantial part of their acreage taken out of production to feed grains, including corn.

As a result the 1954 and 1955 production of oats, barley, and grain sorghums increased about 800 million bushels, corn equivalent by weight as compared with 1953.

The biggest part of this excess came in the noncommercial corn area. This led to the substitution of other feed grains for corn in livestock feeding and a substantial increase in the corn carryover.

The corn carryover rose from 769 million bushels at the beginning of the 1953 marketing year to 1,166 million bushels at the beginning of the 1956 marketing year.

The loss of corn markets to other feed grains contributed substantially to this increase in carryover. The net result was that under the legal formula for the determination of acreage allotments that the 1956 acreage allotment was reduced from about 50 million to 43 million acres.

Corn farmers and livestock producers are carrying not only their own problems but in addition the problems shifted to them by producers of other crops.

B. In addition, Congress recognized that there is special legislation with respect to wheat, cotton, rice, and peanuts such as minimum acreage allotments which prevent the adjustment of supply to normal levels as defined by law.

As a result of these minimum provisions in the law, the 1957 acreage allotment for wheat was about 42 million acres more than needed to adjust supply to normal.

Cotton was about 14 million acres above that level. The situation for rice and peanuts was similar. In the case of corn, however, there was no minimum acreage allotment provided and the formula requires the full adjustment of corn acreage allotments so as to provide a normal supply.

Then you will see the table that illustrates this very graphically.

Acreage allotments, 1957

[Million acres]

Commodity	Actual allotment	Allotment as if would be in the absence of a minimum allotment
Wheat.....	55	12.4
Cotton.....	17.6	3.9
Corn.....	37.3	37.3

C. Corn producers could not shift their acreage into the production of basic commodities covered by marketing quotas because, as you know, that is prohibited under the marketing quota law, a privilege available to many other producers of other basics so far as diversion to corn or other feed grains is concerned.

D. Against this background of reduced allotments, only about 40 percent of the corn production in the commercial corn area has been eligible for price support.

In other words, a majority of corn farmers, by their corn planters, have indicated that they could not stay within their relatively small allotments. The following figures illustrate this situation. That relates to the 1956 commercial corn area. And as I have indicated earlier, the commercial area in 1957 has expanded even further.

	1952	1953	1954	1955	1956
1956 commercial corn area (planted acres).....	55, 921, 000	57, 345, 000	57, 002, 000	56, 879, 000	55, 086, 000
Number of counties in area.....			834	805	840
Total allotment for each year.....			46, 996, 000	49, 843, 000	43, 281, 000
Percent of allotment on complying farms as of all farms for each respective year.....			42.7	54.2	45.9
Percent planted acres on complying farms as of all farms for each respective year.....			30.0	40.5	35.8

Therefore, the Congress designed a new program to provide a measure of justice to corn producers.

Many times during the period of discussion of the Agricultural Act of 1956 the President and the Secretary of Agriculture pointed out the critical time elements involved in the implementation of the soil-bank program for 1956.

In his discussion before the Senate committee on February 6, 1956, Under Secretary Morse submitted a summary which contained this statement:

If legislative action is not taken prior to April 15, it will be extremely difficult to get a program this year except for wheat seeded in the fall of 1956.

In his April 16, 1956, message regarding his action on H. R. 12, the President said:

The long delay in getting this bill makes it too late for most farmers to participate in the soil bank on this year's crops.

In a letter to Senator Aiken dated May 22, 1956, the Secretary said:

It will take all the time available to prepare properly for a program on crops planted in the fall of 1956. Farmers would be helped far more, in my opinion, by a constructive program beginning on fall crops than by a hasty, ineffective program on 1956 spring crops.

In view of the impracticability of getting a program into operation this year for both spring seeded and fall seeding crops, it is recommended that this bill be amended so that the soil-bank program will commence with the crops planted in the fall of 1956.

The President in signing the bill included a statement as follows:

The delay in the bill's enactment, however, makes it virtually impossible to put the soil bank properly into effect in 1956.

However, in Report No. 2197 on the Agricultural Act of 1956 issued May 22, the managers on the part of the House of Representatives included the following statement:

A major provision, dealing with the start of the soil-bank program, was resolved in favor of the House bill. The House bill directed that the soil bank be started with 1956 crops.

The Senate bill directed only that the Secretary start the program with the 1956 crop "to the extent he deems practicable."

This language, together with the known position of the Secretary of Agriculture on this matter, led to the general assumption that under the Senate provision there would be no serious effort to get the soil-bank program underway for 1956 crops.

The conferees accepted the House language with respect to this matter, agreeing to make the soil bank effective immediately, as provided in the House bill.

It was recognized, however, that the larger part of this year's plantings have already taken place and it is not expected that any large part of the crop planted will be plowed up or otherwise removed from production as authorized by section 103.

The committee recognizes that the Secretary cannot be expected to accomplish the impracticable or to secure any large part of the beneficial results hoped for the soil bank in 1956, but it also recognizes that certain farmers have heretofore planned to participate this year and it is felt that they should be assured of the opportunity to do so.

In accordance with the direction of the Congress, the Department of Agriculture immediately moved to implement the program so as to provide a program for 1956. The requirements of the law were scrupulously adhered to. It was on the basis of the requirements of the law that the 1956 program was developed. This scrupulous observance of the legal requirements was put into effect.

The Agricultural Act of 1956 provided that corn acreage allotments were inoperative for 1956 and substituted in lieu of the national acreage allotment of 43.3 million acres a "base acreage" for corn totaling 51 million acres for the commercial corn area.

In other words, it lifted the allotment.

Thus the corn base on each farm was about 18 percent higher than the allotment. Example: A farm with a 100-acre allotment received a base of 118 acres.

To become eligible for price supports under this new program, a corn producer was required to devote an acreage equal to 15 percent of his farm base acreage for corn to the acreage reserve or the conservation reserve program.

By underplanting his corn base acreage 15 percent and placing that land in the acreage reserve, the producer was eligible for an acreage reserve payment at the corn rate.

By planting not to exceed his base acreage in corn and placing an amount of rotation crop land equivalent to 15 percent of that base acreage in the conservation reserve, he was eligible for a conservation reserve payment.

The price support to cooperators for the 1956 corn crop was announced at a national average of \$1.50 a bushel in the commercial

corn area. Support in noncommercial counties was mandatory at 82½ percent of the commercial area rate.

Farmers in the commercial corn area qualified for the \$1.50 per bushel price support by placing an acreage equal to 15 percent of his corn base in either the acreage reserve for corn or in the conservation reserve and not exceeding his corn base.

Thus the farmer on the example above could be eligible for price support by (1) reducing his corn acreage by at least 15 percent below the 118-acre base and putting that many acres into the acreage reserve, or (2) planting not more than 118 acres of corn and putting at least 15 percent or 18 acres into the conservation reserve.

To participate in the acreage reserve or the conservation reserve, a farmer must have complied with the corn base and, in general, all acreage allotments established for the farm.

Acreage designated for the acreage reserve must have resulted in the harvesting of an acreage of corn less than the soil-bank corn base acreage, and could not be grazed, cut for hay, or cropped for the entire 1956 calendar year with certain exceptions for drought. Noxious weeds must have been controlled on the reserved acreage.

Any farmer who met the general requirements for participation in the acreage reserve earned payments by:

1. Underplanting his corn base and certifying that this was done (a) in anticipation of complying with the 1956 acreage reserve or (b) because of adverse weather conditions. The payment rate was based on the normal yield of the designated acreage.

2. Complying with his corn base, and not harvesting an acreage of the crop because of destruction by natural causes. Payment rate was based on the smaller of the appraised yield of the field or the farm normal yield, whichever was the smaller, but not less than \$6 per acre.

3. By plowing or otherwise physically incorporating the crop into the soil, or clipping, mowing, or cutting an acreage of corn within the soil-bank base acreage after May 27 and before the established final date for compliance with the corn-base acreage. Payment on same basis as item 2.

That is, it was either on the basis of the appraised yield or the normal, whichever was less. And in no case was it less than \$6.

A considerable number of farmers had planted within their original allotments, based on 43.3 million acres. As a result of the legislation these farmers found that they could put part of their land in the corn-acreage-reserve program of the soil bank and be paid on the basis of the normal corn yield.

Other farmers, whose corn was hurt by drought, could disk down their corn and be paid on the basis of the appraised yield but not less than \$6 per acre.

Altogether, 5.3 million acres of corn were signed up for the acreage reserve program; 1.7 million acres of this total were disked or plowed down. The acreage of corn harvested in the commercial-corn area was reduced from 55.8 million in 1955 to 53.1 million in 1956.

The indicated cost on signed agreements for the 1956 corn-acreage-reserve program was about \$34 per acre.

Another provision in the Agriculture Act of 1956 relative to corn provided that for crops after 1956 there must be held a referendum giving farmers a choice between two programs:

(a) A continuation of the acreage-allotment program, as we have had it; or

(b) A "base acreage" for the commercial corn area of 51 million acres for the duration of the soil bank, after which there would be no corn-acreage allotments and corn price supports would be determined in a manner similar to that now provided for other feed grains.

A vote of at least two-thirds voting in favor of the 51-million-acre corn base was required in order to eliminate the allotment program for 1957 and future years.

The vote was 61.5 percent of those voting in favor of the 51-million-acre corn base with discretionary supports. This was just short of the two-thirds required. The vote by States was as follows:

That is in the following table:

<i>State</i>	<i>Percent favoring base average</i>	<i>State</i>	<i>Percent favoring base average</i>
Illinois-----	80.8	Pennsylvania-----	73.9
Iowa-----	59.5	Georgia-----	85.9
Minnesota-----	23.6	Tennessee-----	86.9
Indiana-----	74.6	Alabama-----	83.6
Ohio-----	71.3	Virginia-----	50.9
Missouri-----	47.8	Kansas-----	51.7
Wisconsin-----	55.0	North Dakota-----	28.5
Nebraska-----	50.0	Maryland-----	67.2
South Dakota-----	27.0	Arkansas-----	59.6
Michigan-----	75.0	New Jersey-----	80.7
Kentucky-----	87.2	Delaware-----	88.4
North Carolina-----	78.8	West Virginia-----	94.6

Thus, in accordance with the present law there is required an allotment of 37.3 million acres for 1957. This is about one-third fewer acres than were planted in the commercial corn area in 1956 and is the lowest per farm allotment ever received by corn farmers.

On the basis of historical eligibility data, it is obvious that very few farmers will reduce their corn acreage to this low level. Therefore, eligibility for the \$1.36 per bushel price support is expected to be extremely low.

Thus, we may expect such effects as excessive corn production, lower market prices for corn, and other undue stimulation of livestock, dairy, and poultry production.

The cheaper feed grains can readily mean more and cheaper livestock, dairy, and poultry products than would otherwise be the case.

While the initial price effects will be felt by corn and feed grain sellers, the secondary effects will be felt most sharply by livestock producers.

In view of the fact that livestock provides about 55 percent of the cash farm income from marketing by farmers, it is obvious that the effect of an overabundance of feed grains may be felt in every county in the United States in the form of reduced income.

The following table shows the 1955 percentage of livestock and products of total cash receipts by States.

We have each of the States listed there. That makes interesting material, if you will look at it at your leisure.

Percentage livestock and products of total cash receipts, 1955

<i>State</i>	<i>Percent livestock and products</i>	<i>State</i>	<i>Percent livestock and products</i>
Maine -----	58.5	West Virginia -----	78.3
New Hampshire -----	82.9	North Carolina -----	23.8
Vermont -----	88.2	South Carolina -----	23.9
Massachusetts -----	68.0	Georgia -----	45.9
Rhode Island -----	72.4	Florida -----	22.3
Connecticut -----	65.2	Kentucky -----	44.3
New York -----	71.6	Tennessee -----	48.8
New Jersey -----	64.0	Alabama -----	41.6
Pennsylvania -----	76.2	Mississippi -----	27.4
Ohio -----	60.5	Arkansas -----	30.8
Indiana -----	63.0	Louisiana -----	32.1
Illinois -----	58.4	Oklahoma -----	61.0
Michigan -----	58.4	Texas -----	40.8
Wisconsin -----	87.8	Montana -----	42.3
Minnesota -----	67.8	Idaho -----	42.8
Iowa -----	78.2	Wyoming -----	77.1
Missouri -----	66.1	Colorado -----	65.2
North Dakota -----	28.0	New Mexico -----	58.0
South Dakota -----	67.8	Arizona -----	29.0
Nebraska -----	70.3	Utah -----	74.4
Kansas -----	55.4	Nevada -----	84.5
Delaware -----	75.6	Washington -----	34.2
Maryland -----	69.7	Oregon -----	42.4
Virginia -----	54.6	California -----	36.1
United States -----	54.1		

In addition, commercial corn farmers will be unable to participate in the soil bank program for any commodity. The law provides that no producer is eligible for soil bank payments unless he stays within all acreage allotments.

For example, producers who have wheat acreage allotments or cotton acreage allotments and are in the commercial corn area are ineligible for wheat or cotton acreage reserve payments or conservation reserve payments unless they stay within their low corn acreage allotment.

Fifty-four new counties were added to the commercial area in 1957. Farmers in these counties as well as others must cut their corn acreage sharply if they wish to participate in the soil bank.

Some of the most urgent requests to "do something about corn" come from the areas previously considered as cotton, tobacco, or wheat areas.

Also, the corn price support in the noncommercial corn area is reduced by about 6 cents per bushel. This comes about by virtue of the fact that the price support for corn in the noncommercial corn area is 82½ percent of the rate in the commercial corn area when the corn base program is in effect as compared with 75 percent of the price-support rate when the corn acreage allotment program is in operation.

Thus from the above it can be seen that the impact of this vote extends must beyond cash corn producers in the commercial corn area.

A number of bills have been offered in the House of Representatives addressed to the corn problem. Three of these, H. R. 3011, H. R. 3387, and H. R. 3534, are identical.

These bills would retain acreage allotments indefinitely, provide a minimum allotment of 51 million acres, and require price support between 75 and 90 percent of parity. They would require price support between 75 and 90 percent of parity. They would require farmers to put into the soil bank an acreage of tilled land equal to 15 percent of their corn allotment.

If enacted in time, such a program would give farmers a realistic corn acreage allotment for price-support purposes and would provide a basis for operating an acreage reserve program.

When the acreage reserve program terminates in 1960, however, we would be confronted with much the same problem and program as the one under which our present problems developed.

In the Senate at least one bill has been introduced. It is my understanding that this same identical bill was introduced in the House yesterday afternoon. S. 829 would provide legislatively the identical situation favored by 61 percent of those corn farmers who voted.

That is, it would provide a base acreage of 51 million acres; it would require that a farmer put an acreage of tilled land equal to 15 percent of his corn base acreage into the soil bank if he wants price support, and provide for price support at levels which would be determined on the basis of the assistance necessary to aid farmers in marketing their crops but not encourage the uneconomic production of corn.

Also relevant would be the various factors required to be considered in determining the level of support for feed grains. After the expiration of the soil bank, corn would have a program similar to the present program for the other feed grains.

This bill has many merits.

It would give corn farmers a realistic base for price-support purposes and it would permit the operation of a soil-bank program.

After the corn surplus is reduced by means of the soil bank, we would avoid a renewal of the situation which got us into our present troubles.

S. 829 embodies the administration's position regarding corn legislation. We would also be willing to see a 70 percent of parity price-support floor for corn, for the duration of the acreage reserve program, written into S. 829. Such a floor is included in the attached proposed bill.

It was transmitted to the Speaker of the House and to the Senate day before yesterday. And it is also attached here, Congressman Cooley, for observation.

Also attached is a table showing the similarities and differences of various bills regarding corn that up to this date have been introduced. Well, not all of them, because the ones that we had when we prepared this testimony are included.

People tell us that the base acreage program would have carried in the referendum except for the feeling that corn was being removed from the list of basic commodities.

Of the 6 crops now listed as basic, no 2 have identical programs. The Congress specifically set the corn program apart from the other basics in 1954 when it eliminated marketing quotas because everybody knew they were impossible to carry out. It continued to list corn as a basic commodity.

Corn is our most important and most valuable crop. It ranks far ahead of any other crop.

We have listed for your information the value in millions of dollars for 1956 of the various crops—the first six of them—and we will be happy to furnish them for all crops if you want them.

Crop	Rank	Value of the crop, 1956
Corn.....	1	\$4, 571, 000, 000
Hay.....	2	2, 302, 000, 000
Cotton.....	3	2, 152, 000, 000
Wheat.....	4	1, 970, 000, 000
Tobacco.....	5	1, 147, 000, 000
Soybeans.....	6	1, 012, 000, 000

Corn is a basic crop economically and legally. We have no wish to see it removed from the list of basic crops. In fact, we would be happy to see it designated as a “superbasic” crop if the Congress wishes because that is what it is.

What we desire and what corn farmers desire is a program that works. The evidence is that the corn-allotment program does not work. Sixty-one percent of the corn farmers who voted have said essentially that, and we should heed at least their counsel.

It is sometimes said that all the feed grains are similar, that all should have acreage allotments. This would extend to oats, barley, and sorghum grain the kind of program which has led corn farmers into the troubled situation now existing.

If participation is as low as for corn, and it would be, loss of eligibility for price support could result in low market prices.

As you know, the feed grains are supported today at the discretion of the Secretary and have not been supported below 70 percent since he has been here and they have no restrictions on the amount that they can produce.

Also, where oats and other small grains are used as a nurse crop troublesome technical problems would prevail in trying to reduce oats acreage, as you know, particularly those of you in the areas where oats are grown.

We agree that the feed grains are similar. Corn should be moved in the direction of the programs for the other feed grains, which have been more successful in maintaining a balance between supply and use.

One thing we wish to emphasize:

The cutoff date for the soil-bank signup on spring planted crops is March 1 for cotton and tobacco, and March 8 for corn, spring wheat, and rice. Action on corn should come well ahead of March 1.

Every farmer in this country that grows corn and some of these oats commodities that are tied in close with it, understands this.

If legislation comes late, the 1957 soil-bank program will be handicapped throughout the commercial corn area, which now includes counties in Arkansas, Kentucky, Tennessee, Alabama, Georgia, and North Carolina. This legislation should be considered quickly and separately, on its merits.

Except for the difficulties associated with corn and the problem resulting from the late start in 1956, the soil bank seems to be getting under way in a generally satisfactory manner.

We are not asking for substantial legislative changes. The winter wheat sign-up reached our goal. Keen interest in the soil bank has been expressed by cottongrowers except where cross-compliance with prohibitively small corn allotments rules them out.

An appraisal of our program on spring seeded crops cannot be made until late because it is just in the field right now. Interest in the conservation-reserve program is evident in the Southeast and in the Southwest.

This was expected, as the program is essentially a program to improve the pattern of land use and these two areas are perhaps most in need of conservation and improved use.

The lateness of the 1956 program resulted in only a limited amount of experience which will be useful for 1957. We are convinced that a full year's operation of the soil-bank program will be required before we have sufficient evidence to warrant increasing or decreasing the payment rates established for 1957.

We know this committee is concerned with the equitable treatment of landlords and tenants in the soil-bank program. Indeed, the law provides that adequate safeguards shall be employed to protect the interests of tenants and sharecroppers.

We have instructed our county offices not to enter into an agreement with an owner unless the owner affords his tenants and sharecroppers equitable opportunity to participate in the program and pays them a fair share of the compensation.

In addition, our county offices have been instructed not to enter into an agreement with an owner who has reduced the number of tenants or sharecroppers on the farm in contemplation of participating in the soil bank.

If the county committee is not satisfied with the circumstances surrounding the landlord-tenant relationships regarding an application, then the committee will accept no agreement for that farm, and will obtain acreage elsewhere, from farms that meet the standards.

Appended to this testimony are two exhibits which give relevant data for the 1956 and 1957 acreage-reserve programs.

We believe that our proposed corn program will benefit all segments of agriculture. We trust that your analysis and subsequent actions will enable us to present a realistic, forward-looking program to our corn producers.

I thank you very kindly for the opportunity to lay this in your hands and we will be happy to try to answer any questions that you or your committee may have.

(The exhibits are as follows:)

EXHIBIT I

A BILL To provide for corn base acreages, and other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law—

(1) Base acreages (based on a total base acreage for the commercial corn-producing area of 51,000,000 acres) shall be established for corn as provided in section 103 (b) (1) of the Agricultural Act of 1956 for 1957 and for each subsequent year for which an acreage reserve program is in effect for corn;

(2) Acreage allotments shall not be in effect for the 1957 and subsequent crops of corn; and

(3) Subject to subsections (a) and (d) of section 308 of such Act, price support shall be made available by Commodity Credit Corporation for the 1957

and subsequent crops of corn at such level as the Secretary determines, taking into consideration the assistance necessary to aid producers in marketing corn in the normal channels of trade but not encourage the uneconomic production of corn, and the factors set forth in section 401 (b) of the Agricultural Act of 1949, as amended: *Provided*, That the level of price support for any crop of corn for which an acreage reserve program is in effect shall not be less than 70 or more than 90 per centum of the parity price therefor.

EXHIBIT II

Similarities and differences of various bills regarding corn

	H. R. 3011	S. 829	Administration bill
FOR 1957, 1958, 1959			
"Base acreage" or allotment?.....	Allotment.....	Base acreage.....	Base acreage.
Number acres in "base" or allotment.	51,000,000.....	51,000,000.....	51,000,000.
Basis of determining level of price support.	75 to 90 percent, existing law.	Discretionary.....	70 to 90 percent.
Basis of price support noncommercial area.	75 percent of level in commercial area.	82½ percent of level in commercial area.	82½ percent of level in commercial area.
Extent of participation in soil bank as a condition of eligibility for price support.	Acreage equal to 15 percent of allotment. If participation is in acreage-reserve program, corn acreage must be reduced below allotment by amount of such participation.	Acreage equal to 15 percent of base acreage. If participation is in acreage-reserve program, corn acreage must be reduced below base acreage by amount of such participation.	Acreage equal to 15 percent of base acreage. If participation is in acreage-reserve program, corn acreage must be reduced below base acreage by amount of such participation.
FOR SUBSEQUENT YEARS			
Allotment provisions.....	Allotments, with minimum allotment of 51,000,000 acres.	No acreage limitations.	No acreage limitations.
Basis of determining price supports.	75 to 90 percent existing law.	Discretionary.....	Discretionary.
Basis of support for noncommercial area.	75 percent of level in commercial area.	No distinction between noncommercial area and commercial area.	No distinction between noncommercial area and commercial area.

EXHIBIT III

1956 acreage reserve statistics as of Jan. 11, 1957

Crop	Acres approved	Number of agreements signed	Total obligations	Average compensation	
				Per agreement	Per acre
Corn.....	5,289,518	314,489	179,355,104	570.31	33.91
Wheat.....	5,670,215	110,952	44,739,889	403.24	7.89
Peanuts.....	44,000	5,310	595,626	112.17	13.54
Rice.....	28,162	1,117	1,394,294	1,248.25	49.51
Cotton.....	1,121,151	95,669	27,336,091	285.74	24.38
Tobacco:					
Flue-cured.....	10,329	6,093	2,105,819	345.61	203.87
Burley.....	3,931	5,791	786,745	135.86	200.14
Maryland.....	3,915	1,104	547,554	495.97	139.86
Dark air-cured.....	570	1,050	85,462	81.39	149.93
Virginia sun-cured.....	1,779	1,208	231,032	191.25	129.87
Fire-cured.....	2,404	1,793	291,000	161.85	121.05
Cigar filler.....	116	53	15,844	298.94	136.59
Cigar binder—51.....	3,525	753	1,155,225	1,524.04	327.72
Cigar binder—52.....	3,220	957	1,058,061	1,105.60	328.59
Cigar binder—54.....	345	147	44,797	304.74	129.85
Cigar binder—55.....	1,820	1,027	276,452	269.18	151.90
Tobacco subtotal.....	31,954	19,986	6,597,991	330.13	206.48
Grand total.....	12,185,000	547,523	260,018,995		

Acres and obligations for 1956 Conservation Reserve program as of Jan. 11, 1957

Total United States:

Acres contracted-----¹ 1,591,966

Total obligations-----¹ \$24,750,332

¹ Preliminary.

EXHIBIT IV

Relevant data for the 1957 acreage reserve program

Crop	Unit	National yield figures	National base unit rates	Approximate national average rate per acre	1957 acreage reserve goal
Wheat-----	Bushels-----	16.7	\$1.20	\$20.04	12,000,000-15,000,000
Cotton (Upland)-----	Pounds-----	361	.15	54.15	3,500,000- 4,500,000
Corn-----	Bushels-----	47.4	.90	42.66	4,500,000- 5,500,000
Rice-----	Hundredweight-----	28.08	2.25	63.18	175,000- 225,000
Tobacco types:					
Flue-cured (11-14)-----	Pounds-----	1,419	.18	255.42	70,000- 80,000
Burley (31)-----	do-----	1,643	.18	295.74	30,000- 35,000
Maryland (32)-----	do-----	869	.17	147.73	6,500- 7,500
Fire-cured (21-23)-----	do-----	1,330	.13	172.90	6,000- 7,000
Dark air-cured (35-36)-----	do-----	1,460	.12	175.20	2,000- 3,000
Virginia sun-cured (37)-----	do-----	1,151	.12	138.12	400- 600
Cigar filler (42-44)-----	do-----	1,615	.09	145.35	400- 600
Cigar binder (51)-----	do-----	1,772	.19	336.68	3,500- 4,000
Cigar binder (52)-----	do-----	1,919	.18	345.42	2,600- 3,200
Cigar binder (54)-----	do-----	1,570	.08	125.60	500- 700
Cigar binder (55)-----	do-----	1,518	.11	166.98	1,000- 1,500
Tobacco subtotal-----	do-----	1,440	.176	253.44	125,000- 140,000

The CHAIRMAN. Thank you very much, Mr. McLain. I should like to ask you a few questions.

What was the date of the referendum?

Mr. McLAIN. December 11.

The CHAIRMAN. December 11?

Mr. McLAIN. Yes.

The CHAIRMAN. You say that this legislation is urgent and needed, and we shall not delay it.

Will you tell the committee what this bill, S. 829, which you recommend, would cost the Government, or the taxpayers in 1957?

Mr. McLAIN. Well, I do not think there is anyone here prepared on the spur of the moment.

The CHAIRMAN. Do you have any estimate?

Mr. McLAIN. We would expect—we would put it this way: that we would not expect to spend, under the bill, any more than the law, of course, legally permits us to spend.

As you know, there is a provision in the law, setting up maximums that can be used for any one commodity and we have broken this down proportionately.

The CHAIRMAN. You would not spend more than the law authorizes?

Mr. McLAIN. No, sir.

The CHAIRMAN. Last year the program cost \$179 million.

Mr. McLAIN. That is right.

The CHAIRMAN. What do you think the programs you are now proposing would cost in 1957; that much or more?

Mr. McLAIN. I think it would cost more, if it were put into effect in time to be applicable before planting time.

The CHAIRMAN. Do you have an idea whether it would \$200 or \$250 million?

Mr. McLAIN. \$217.5 million has currently been allocated.

The CHAIRMAN. \$217 million?

Mr. McLAIN. That is right.

The CHAIRMAN. And as a result of having expended that amount of money, you would not actually reduce the production of corn; would you?

Mr. McLAIN. We think we would probably reduce the production in 1957 over what it would otherwise be, if nothing happens, by 4 to 5 million acres.

The CHAIRMAN. In 1956 you did not reduce it?

Mr. McLAIN. The 1956 crop was planted, as you well realize, before the act was finally passed.

The CHAIRMAN. The Department will reduce the 51 down to 36 and one-half?

Mr. McLAIN. Of course, you have to understand that with the 37 and a little over, that has been allocated, we will get practically no compliance.

The farmer, of course, is in the position where that is what he is going to do. We know that any of your committee members from the corn States will tell you that.

I think we have to look at it on the basis that if we give them a realistic base, as we have done for the other commodities, then the farmer has an opportunity, at least, to try to make the effort to comply. And we think he will.

The CHAIRMAN. You say a realistic base—37½ million acres. That is what you have to do if you are going to bring about a better balance between supply and demand, wouldn't you?

Mr. McLAIN. We feel that if we were permitted to use the 51 million acre base that we would get considerable compliance all over the Corn Belt. And certainly we would in the fringe areas, no question about it—enough that it would reduce the 1957 potential production by 4 to 5 million acres.

The CHAIRMAN. In other words, you think if you do not have a program at all, you will have increased production?

Mr. McLAIN. We will probably have the highest acreage in many years.

The CHAIRMAN. In other words, you are proposing now to pay about \$217 million to the corn farmers to induce them not to plant corn?

Mr. McLAIN. That is correct.

The CHAIRMAN. In this current year?

Mr. McLAIN. Yes.

The CHAIRMAN. You said some realistic acreage. We reduced tobacco 25 percent this year.

Mr. McLAIN. Yes.

The CHAIRMAN. A lot of people think that is not a realistic acreage.

Mr. McLAIN. I realize that.

The CHAIRMAN. Why is it morally right to pay the corn farmers \$217 million, as you propose to do in 1957, because the law would require those unrealistic reductions and you are not compensating the tobacco and cotton farmers and the other producers of the basic commodities?

Mr. McLAIN. I think the best answer to that, Congressman Cooley, is that tobacco, of course, has a program pretty much to the liking of the tobacco area where they are guaranteed for all practical reasons 90 percent of support.

We have supported that program. We have taken steps to improve it, at your suggestion and that of tobacco producers.

Corn is not asking for that kind of a program.

In the first place, two-thirds of corn or more is fed on the farm when produced. They are not interested in having the controls applied to them that tobacco people are, because they just feel that it is impossible to do it.

Therefore, we must have a different type of program.

As you know, wheat and cotton have minimum allotments.

The CHAIRMAN. Why not give the cotton farmers some compensation for reducing acreage?

Mr. McLAIN. We have already done that in the minimum acreages that have been permitted over the years. I pointed out here what would happen to wheat and cotton both if we had not had these minimum acreages put in.

And we supported those at the time they were put in.

The CHAIRMAN. The cotton farmer is not paid anything.

Mr. McLAIN. Yes.

The CHAIRMAN. Under the soil bank.

Mr. McLAIN. If wheat and cotton were on the same basis as corn they would have been reduced on their allotments down to the figures I have shown. Then we would have been willing to have looked at a similar proposition for them. They had minimums under them, so they could not be reduced by law.

Mr. ABERNETHY. Mr. McLain, I am not impressed by that argument. And I am just taking up for my farmers.

Cotton has reduced its plantings about 36 percent by law.

Mr. McLAIN. That is right.

Mr. ABERNETHY. That is, from 26 million to 17 million, 35 percent or somewhere in that neighborhood.

It is true they have a minimum, but the minimum is low enough that they have reduced their plantings by law and under quotas set by the Department about 35 percent.

The normal planting of corn is about 58 million acres a year, isn't it?

Mr. McLAIN. In the commercial area, that is correct.

Mr. ABERNETHY. That is right?

Mr. McLAIN. It is eighty some million, if you take the whole country.

Mr. ABERNETHY. You are talking about the soil bank, and this is for soil-bank purposes?

Mr. McLAIN. That is right.

Mr. ABERNETHY. You are saying that the corn people should reduce only 12 percent, are you not?

Mr. McLAIN. I would like to put it this way——

Mr. ABERNETHY. Well now, I do not want to be rude, but that is 12 percent, isn't it, from 58 to 51?

Mr. McLAIN. I think that is about right.

Mr. ABERNETHY. Twelve percent?

Mr. McLAIN. Yes.

Mr. ABERNETHY. But yet you say that the corn people are being required to reduce only 12 percent, and the cotton people are being required to reduce 35 percent, gives the cotton people an advantage. Why is that?

Mr. McLAIN. Here is the best explanation of it, I think. These minimums on wheat and cotton were established pretty much on such basis as to furnish an acreage that would supply about the current needs.

This 51 million acres on corn just about does that.

Mr. ABERNETHY. Fifty-one million on what?

Mr. McLAIN. On corn, just about does that.

Mr. ABERNETHY. Just about does what?

Mr. McLAIN. Supply the current needs.

Mr. ABERNETHY. If it takes 51 million to supply the current needs, why do you put the next allotment at 37?

Mr. McLAIN. That compares pretty well with the 55 million for wheat. And we are paying the wheat farmers. If they reduce below the 55 million—we are paying the cotton—if they reduce—

Mr. ABERNETHY. If they reduce below 17 million—and they have reduced already 35 percent—that is what you are saying?

Mr. McLAIN. That is right.

Mr. ABERNETHY. Do you think there is anything comparable in the two?

Mr. McLAIN. Yes, I do.

Mr. ABERNETHY. Well, do you think there is an advantage to anyone? If so, to whom?

Mr. McLAIN. I think there is no advantage.

The CHAIRMAN. May I interrupt?

Mr. ABERNETHY. I am through.

The CHAIRMAN. You reduced tobacco 25 percent this year.

Mr. ABERNETHY. That is this year.

The CHAIRMAN. Until now it has been 42 percent. We are not compensated for that. We reduced the acreage 42 percent, and we get no compensation at all.

Mr. McLAIN. You have maintained the income because your tobacco farmers wanted to keep it at 90 percent and you had a crop to do it.

The CHAIRMAN. You have been constantly saying that, 90 percent. At the same time you admit that the tobacco program has been the most satisfactory of all programs.

Our farmers are not fussing about having to take this reduction. The burley producers did it last year. They brought their supply in line to some extent. They are now benefiting by the program.

I cannot see the justification for this favorable treatment to the corn producers, in view of the fact that my tobacco farmers took a cut of 42 percent, and we will take 10 percent more next year, or 15 percent, maybe.

Mr. McLAIN. You recognize that this cut, when it has been made—I have been down in your areas a good many times—it is shifted into other crops, in other feed grains which have no limitation on them. And that has created part of the problem we have on corn.

Mr. BASS. Will you yield there?

The CHAIRMAN. Yes.

Mr. BASS. They shift a \$850-an-acre crop into a \$15-an-acre crop—that is a great help.

Mr. McLAIN. I recognize that.

Mr. JENNINGS. Corn does the same thing.

Mr. McLAIN. The \$15 an acre crop depends on the crop. If you get average yield it will be more than that.

The CHAIRMAN. You have been contending in the Department for 3 years that lower price supports would bring about a reduction in these surpluses. That is the reason you have advocated flexible supports.

Now, you are advocating the reverse of it. You are saying now that it is necessary to reduce acreage, it is necessary to induce the farmer to reduce acreage, and you have to compensate the farmer to do it.

You are making the argument now that this committee has made consistently that the price-support program is a dual-purpose program—to use it to increase production when an increase is needed and to use it to decrease production when needed.

If you supported corn at 90 percent of parity, and had some sort of acreage allotment you would get the reduction that you want, would you not?

Mr. McLAIN. No. Experience has proven that we didn't. The records show that.

The CHAIRMAN. Because you have the commercial and noncommercial areas.

Mr. McLAIN. We had non-participation on the commercial corn area and increased feed-grain production on the diverted acres primarily in the noncommercial corn area.

The CHAIRMAN. I understand that, but if you did away with the commercial areas and put corn in throughout the whole country uniformly, and gave 90 percent price support, you would get the reduction all right, wouldn't you?

Mr. McLAIN. I think not, because the big end of the corn, as your colleagues here in the Corn Belt will tell you, is fed on the farm where produced. And it is, of course, different than tobacco, as you recognize.

The CHAIRMAN. You told us that the increase came from the non-commercial area.

Mr. McLAIN. I didn't say all of it came from there.

The CHAIRMAN. No, not all of it, but most of it.

Mr. McLAIN. Our commercial area has expanded as the figures show here considerably since we have had the program.

Mr. POAGE. Here is what it says:

The biggest part of this excess came from the noncommercial area—that is on page 3 of your written statement.

Mr. McLAIN. This is feed grains, Congressman Poage. We are talking about feed grains, you see. We converted it to corn equivalent.

Mr. POAGE. That is right. And you are talking about noncommercial corn there because noncommercial corn is the big end of your feed grains.

Mr. McLAIN. We are talking about the noncommercial corn areas. That is where the big increase in grain sorghums, and oats, and barley took place. Of course, the record shows that.

Mr. POAGE. It is also where the big increase in corn came from?

Mr. McLAIN. To some extent, that is right. That is right.

Mr. BASS. Will you yield? I have one question.

The CHAIRMAN. Yes.

Mr. BASS. While we are on this subject, about January 7, I believe, the Secretary of Agriculture came here and testified on the soil-bank program.

During that testimony I advised the Secretary that I had introduced a bill which would make the soil-bank payments available on all acreage cuts that were mandatory and approved in referendum, and he told me at that time that he did not have a firm opinion on it, but would like to study the proposition.

Now, you have come here with a request that the corn producers be paid under the soil-bank program for taking this cut in their acreage.

Do you know if the Secretary has yet firmed up an opinion as to whether he would be willing to support legislation paying the rest of the commodities for putting it in the soil bank on the mandatory cut?

Mr. McLAIN. I was here the day, Congressman Bass, that you raised this question. And, of course, we will furnish you an answer to that. I am not prepared to do it here today, because that question has not been resolved, at least, to my knowledge.

Mr. BASS. I am of the opinion that before we should make a final determination on any 1 commodity, and this is exactly what I recommended for all basic commodities—I think before we should resolve the question on 1 of the basic commodities that the opinion of the Department should come on all basic commodities.

Therefore, I certainly would not be willing to support any type of legislation which would make these payments available to one commodity, until I had the opinion with a reason for or against this legislation on all commodities.

Mr. McLAIN. Well, of course, the payments are available on all basic commodities.

Mr. BASS. No, not for mandatory cuts—only voluntary cuts. This is not—

Mr. McLAIN. What I am saying—

Mr. BASS. This is a voluntary situation?

Mr. McLAIN. We have the allotments established for all of our commodities.

Mr. BASS. Yes.

Mr. McLAIN. And the payments are available for anyone who wants to reduce.

Mr. BASS. The voluntary cuts, but not those cuts that are established by the Department of Agriculture and approved in referendum by farmers?

Mr. McLAIN. Again, of course, this gets back to the minimums on the basic commodities. You have it under wheat and cotton.

Mr. BASS. When were these minimums established?

Mr. McLAIN. The present one on wheat has been operative in the last 3 years.

Mr. BASS. It was only last year that we passed the bill that would make the minimum now existing. But we are dealing now with the same type of situation that we have in other commodities; for instance, you have the farms now who have refused a program.

Mr. McLAIN. That is right.

Mr. BASS. Your corn farmers have refused a program. We are establishing as far as I know—there would be history on this that I might not know—but as far as I know, we are establishing a precedent by giving the farmers a new program for a commodity in the same year in which they refused the established program of the Department; is that right or not?

Mr. McLAIN. Well, of course, it depends on what you mean by refusing. You see, 61 percent or better—

Mr. BASS. They refused it?

Mr. McLAIN. It required a two-thirds majority to approve the base acreage program.

Mr. BASS. It takes 50 percent for me to get elected. If I only get 49 percent they have refused me.

Mr. McLAIN. It does not take 61 percent to get you elected.

Mr. BASS. It takes 66 in this case. So they refused the program. We are establishing a precedent here in the case of one commodity.

Mr. McLAIN. Well, of course—

Mr. BASS. Isn't that true?

Mr. McLAIN. Of course, it was the Department's wish at the time this legislation was initially passed that this be a majority vote.

Mr. BASS. That is not the case and the farmers knew that.

Mr. McLAIN. I understand that.

Mr. BASS. Historically, they approved it by the majority over and above of the necessary $66\frac{2}{3}$.

Mr. McLAIN. This should not be compared with marketing quotas, it is quite a different thing. We force the other third to comply in marketing quotas.

Mr. BASS. Are we not establishing a precedent of giving the farmers what they did not want?

Mr. McLAIN. I don't think so.

Mr. BASS. After they refused to accept the program. Have we ever done that before?

Mr. McLAIN. In the case of Maryland tobacco, we did, I think. So this is the second time.

Mr. BASS. In the case of Maryland tobacco? I do not remember that.

The CHAIRMAN. I want to come back to tobacco. In Maryland the farmers rejected the program, 2 or 3 years ago. I introduced a bill.

We reported it, brought it to the floor, and the Department opposed it. The bill proposed to support that crop, even though two-thirds of the farmers did not vote for control.

You did not support us in our efforts to enact that legislation.

Mr. McLAIN. We did it once, and the second time we did not.

The CHAIRMAN. What?

Mr. McLAIN. It was done once, the record will show that. Mr. Miller here is familiar with that.

The CHAIRMAN. What was done once?

Mr. McLAIN. We supported the bill once that did do what you are suggesting. Let me point out—

The CHAIRMAN. You opposed the bill which would require you to do it.

Mr. McLAIN. Let me point out the difference between the marketing quota vote and the referendum vote. When you vote marketing quotas you compel the minority, which is a third, to do what the majority, the two thirds, wants to do.

There is no compulsion in this act at all.

The CHAIRMAN. You are going to pay corn producers \$217 million. You would not have any compulsions if you paid them that much money.

I cannot figure out why this is such an emergency situation, that is, why so urgent, why you say we have to do something, because the farmers turned down your proposition.

Now you come back and want \$217 million of the taxpayers' money to pay them to do something they refused to do.

Mr. McLAIN. Well, all I can say, Congressman Cooley, is that we are getting many complaints from your part of the country, and down in Kentucky and other areas where this is going to throw a monkey wrench into their participation in the soil bank program because of the corn acreage allotment being so low in the counties where you have these other allotments.

The CHAIRMAN. They do not have to comply with the acreage allotments?

Mr. McLAIN. If they want to comply with tobacco and cotton and get soil bank payments, that is part of the act.

The CHAIRMAN. I meant they did not have to comply with the corn acreage allotments?

Mr. McLAIN. They do if they are going to get the payment in the other programs.

The CHAIRMAN. If they do what?

Mr. McLAIN. They must comply with their corn acreage allotments if they are going to get the payment in the other programs.

The CHAIRMAN. Going into the soil bank, you mean?

Mr. McLAIN. That is correct.

Mr. CHAIRMAN. They do not have to go into the soil bank at all?

Mr. McLAIN. That is correct.

The CHAIRMAN. What is our carryover now?

Mr. McLAIN. Our estimate is that it will be around 1.4 billion October 1 next.

The CHAIRMAN. Next October?

Mr. McLAIN. Yes.

The CHAIRMAN. Is that a year's or half a year's supply?

Mr. McLAIN. About a third of a year's requirement.

The CHAIRMAN. Around a third of a year's supply?

Mr. McLAIN. Yes.

The CHAIRMAN. About 4 months' supply?

Mr. McLAIN. Yes, slightly more.

The CHAIRMAN. Why should we be excited about having a 4 months' supply of corn in surplus?

Mr. McLAIN. Put it this way, that it is the highest we have ever had. We are moving in the direction of having considerably more.

Our projection ahead is that if this is not changed we will have even more and that it will have serious repercussions on the whole livestock industry.

The CHAIRMAN. All you have to do is to lower the price supports and production will come down. Is that your reasoning?

Mr. McLAIN. Of course——

The CHAIRMAN. Every one of you in the Department has been telling us that all you have to do is to lower price supports in order to control production.

Mr. McLAIN. You have to have a program that can come within reason of being accepted, or it does not make any difference where you have the price support.

The CHAIRMAN. You are going to give them 70 percent now. You propose to give them 70 percent?

Mr. McLAIN. Under the proposed bill, yes as a minimum. That is what we are asking for.

Mr. ABBITT. If there is no compliance what will happen?

Mr. McLAIN. I didn't get the question.

Mr. ABBITT. If you get no compliance, what will happen?

Mr. McLAIN. The decision on what will be done, of course, rests, I think, largely upon what Congress does.

Mr. ABBITT. Assume nothing is done.

Mr. McLAIN. Assuming that nothing is done, we will consider taking the same type of action that we took a year ago. Under the law we have that right.

Certainly the Secretary would be negligent if he did not look at that.

The CHAIRMAN. At about what level would you support corn in 1957?

Mr. McLAIN. I could not say. I am not even saying that it would be done. Certainly, we will not sit in the Department and let corn prices collapse.

Mr. ABBITT. If it was way low it will reduce the surplus, won't it? Suppose it is way low.

Mr. McLAIN. Of course, it will be reflected in livestock production. And this will leave its effects all over the country. We do not want that to happen. And I don't think you gentlemen do.

Mr. ABBITT. If you have any supports that would reduce the surplus, wouldn't it?

Mr. McLAIN. With that type of approach all you do is go out and give them a minimum support without any allotment requirement at all. That is the way it was done in 1956.

Mr. ABBITT. It was done in 1955, too—no requirement as to what they did or did not produce?

Mr. McLAIN. In 1955 they had the acreage allotments which were more realistic. And even then we only got about 50 percent compliance or even less than that.

Mr. ABBITT. They were not penalized if they did not comply?

Mr. McLAIN. That is right.

Mr. ANDRESEN. Mr. Chairman, I want to confine my questions to corn, because I understand that there is an emergency situation, particularly in the Corn Belt area, where the acreage allotments are so small that you fear that there will be no cornland going into the soil bank or any other lands.

Mr. McLAIN. Very little, Congressman Andresen. We are in the field with the soil bank program now and are going to try to get all the information we can. That is our duty as administrators.

Mr. ANDRESEN. Do you think it is necessary to enact legislation in this emergency?

Mr. McLAIN. We do, certainly, very sincerely so, to the point where the President has listed this as one of the things that he thought ought to be done immediately in his budget message.

Mr. ANDRESEN. Several bills have been introduced, as you know. You have commented on that.

Mr. McLAIN. Yes, sir.

Mr. ANDRESEN. What will happen if no legislation is enacted?

Mr. McLAIN. Our opinion is—and this is based not on mine alone—that the acreage, instead of staying somewhere near constant, where it has been with the other programs we have had in the past, will be stepped up quite materially because—

Mr. ANDRESEN. Do you think there will be any compliance with the corn acreage allotments?

Mr. McLAIN. Very little.

Mr. ANDRESEN. How much was it in 1956?

Mr. McLAIN. We have that in the table here on page 4 at the bottom of the page; 36 percent. The last item there—that is the one. The last item.

Mr. ANDRESEN. About 36 percent?

Mr. McLAIN. That is right.

Mr. ANDRESEN. And you feel that it will be less in 1957 unless some action is taken by Congress?

Mr. McLAIN. I think everybody recognizes that. Certainly anyone that knows anything about corn would say that.

Mr. ANDRESEN. In establishing the corn acreage base, corn acreage allotments, did the Department have any discretion or was there definite provision of law?

Mr. McLAIN. The allotments are established by provisions of law. And I will assure you of this—I am directly responsible for these activities, in this area—we follow the law as strictly as we know how to do with the best legal advice we can get.

Mr. ANDRESEN. To bring about 37 million acres in the commercial corn area, in what authority is that found?

Mr. McLAIN. It is found back in the basic legislation.

Mr. ANDRESEN. The act of 1938?

Mr. McLAIN. I think that is correct.

Mr. BEACH. The Agricultural Adjustment Act of 1938, as amended; yes.

Mr. ANDRESEN. The support price that you have announced in the Department for the 1957 corn crop, that is predicated upon existing law?

Mr. McLAIN. That is right.

Mr. ANDRESEN. And what will be the support price on corn raised in the commercial corn area, if nothing is done?

Mr. McLAIN. If nothing is done the announced support rate was 77 percent of parity which is \$1.36, to those that comply with the allotments, of course.

Mr. ANDRESEN. Has any figure been set for those who do not comply and for the area outside of the commercial corn area?

Mr. McLAIN. Outside of the commercial area it will be 75 percent of this rate that is established inside of the area if the allotment program continues.

And for the noncompliers, it is not our intention to do anything about it until we see what Congress enacts here.

Mr. ANDRESEN. I thought I saw a figure in the Secretary's statement which set the corn support price at 82½ percent of parity?

Mr. McLAIN. No. Seventy-seven percent of parity is the figure that was set in 1957. You are talking about the wheat figure, because the \$2 on wheat is right around that figure.

Mr. ANDRESEN. I thought I saw the statement yesterday. It was included as a table or something from the Secretary, in comparing H. R. 3011 and several other bills.

Mr. McLAIN. The item you are thinking of is that under the base program—this is very important to the noncommercial area, or it would be to me, if I were a Congressman from those areas, in the noncommercial area, if the vote had carried or if we get the legislation we are asking for the support rate in the noncommercial area will be 82½ percent of the loan rate in the commercial.

Mr. JENNINGS. 82½ percent of 76?

Mr. McLAIN. This is pretty well explained in the exhibit which we have attached, table 2, which shows the comparative——

Mr. ANDRESEN. It is in the record of your statement.

Mr. McLAIN. Yes.

Mr. ANDRESEN. What I am trying to get at is just what the situation will be if Congress does not act.

Mr. McLAIN. Well now, we would not have asked the President of the United States to say what he did in the message to Congress if we had not thought this was a serious situation not only for the corn farmer but for the livestock producers in this country.

Mr. ANDRESEN. Will there be any support price for corn, either in the commercial or noncommercial areas if we do not get this?

Mr. McLAIN. You will have the support price of \$1.36 for those that comply with the allotment in the commercial area. And you will have a support price of 75 percent of that in the noncommercial area.

Mr. BASS. If we do not.

Mr. McLAIN. That is right. If our proposal would be passed, that would be 82½ percent of the 75 percent for the noncommercial corn area.

Mr. ANDRESEN. In order to secure that a farmer must comply with the corn acreage allotment in the commercial corn area.

Mr. McLAIN. Under the existing legislation, that is correct. If the base acreage was passed, of course, he would need to comply with the base acreage provisions.

Mr. ANDRESEN. It isn't quite clear to me. I would like to follow through a little more, to find out the effect of what that would be.

Our entire farm program in the event nothing is done——

Mr. McLAIN. As I tried to point out in this table, livestock is the principal commodity, of course, in this country. We realize that it varies in different areas, but cheap feed grains and cheap livestock and poultry and dairy products are not what we want in the Department.

And I am certain that the big majority of the people on this committee do not want to see that happen. The way we are now situated we are headed in that direction. We want everybody to know that because we think it is important that the facts ought to be called to your attention.

Mr. ANDRESEN. The Department is convinced that unless some emergency legislation is passed, that there may be a downward trend in the price of livestock and poultry.

Mr. McLAIN. Yes, sir.

Mr. ANDRESEN. So your request here for consideration of the Department's proposal is predicated to a great extent upon what you have said?

Mr. McLAIN. That is right.

Mr. ANDRESEN. I wish you would analyze a little further the three bills that you have mentioned in your statement.

Mr. McLAIN. If you will turn over to exhibit 2, it is at the back of the file, we have tried to be as explicit and plain as we could, so that you could take it with you and study it.

The first bill is your bill. And I understand three or four of your colleagues have introduced similar bills. The S. 829 is the one that was introduced in the Senate. And as I understand it by the report I had this morning the same bill has been introduced in the House yesterday afternoon. And the last column shows what our bill would do.

Mr. ANDRESEN. Now, all three bills contemplate 51 million acres?

Mr. McLAIN. That is right.

Mr. ANDRESEN. And the bill that I introduced instead of making it for the 1957, 1958, 1959 crop, makes it a permanent thing?

Mr. McLAIN. That is right. Your bill, of course, extends the allotment provisions of the act of 1938. Our bill, of course, amends the Soil Bank Act which applies to the soil bank base acreage.

There is quite a distinction there, as you realize.

Mr. ANDRESEN. In the bill recommended by the Department, you are doing away with the acreage allotments?

Mr. McLAIN. We are doing away with acreage allotments, that is correct.

Mr. ANDRESEN. So that in the future there will be no acreage allotment for corn, but you will use 51 million acres as a base for the commercial corn area.

Mr. McLAIN. For the duration of the soil bank.

Mr. ANDRESEN. And then you will require that a farmer take 15 percent of his tillable acreage, based upon his corn acreage, not on his allotment because there won't be any?

Mr. McLAIN. On his corn base it will be.

Mr. ANDRESEN. If the farmer has 100 acres of corn, and 100 acres of other tillable land, if he takes 15 acres out of his tillable land, then he will comply and he gets benefits?

Mr. McLAIN. There are two approaches on all three of these bills. And we want to be sure that we understand them, because this is very important.

If you adopt the 51 million acres, he can comply in two ways.

He can either take 15 percent and put it in the acreage reserve program and reduce from his corn base by that 15 percent, and be paid at the higher acreage reserve payment rate. That is one way he can do it. He has to reduce the corn acreage that much.

The other way to do it is to put it in the conservation reserve which is a much smaller payment rate and involves a long-time contract. He has to set that many cropland acres aside, but in that event he could still plant up to his corn base.

Mr. ANDRESEN. He could put that in the acreage, in the conservation reserve then for 10, 15 years?

Mr. McLAIN. That is right.

Mr. ANDRESEN. I think we are pretty well agreed on the differences between the two bills on the base acreage.

The Department recommends a support price of not less than 70 percent of parity.

Mr. McLAIN. We introduced that into our bill for this reason: At the time of the referendum there were irresponsible statements made that the Secretary would reduce this at his discretion, way down. There was no evidence in the record on feed grains—we never supported them for less than 70 percent.

We are willing to have that in the bill, of course, in order to satisfy the point.

Mr. ANDRESEN. If we enacted the Department's bill this year, what would be the price support for 1957 on corn?

Mr. McLAIN. It will be 70 percent or higher.

Mr. ANDRESEN. It will go down from \$1.36 then?

Mr. McLAIN. It will be, under our proposal it will be 70 percent or between 70 and 90 percent.

Mr. ANDRESEN. Then you would abandon the \$1.36?

Mr. McLAIN. That is correct. That is, that would automatically—if this bill were passed—would be eliminated.

Mr. ANDRESEN. H. R. 3011—

Mr. ABERNETHY. Ask him what 70 percent would be.

Mr. McLAIN. \$1.25, approximately, Congressman Abernethy.

Now, let us take this year, Congressman Andresen. We demonstrated in soybeans and flaxseed this last year, and we have done it in several other commodities—that we raised the support. It has been done. There is no reason why it should not be done.

Mr. ANDRESEN. H. R. 3011 says not less than 75 percent of parity.

Mr. McLAIN. Yes.

Mr. ANDRESEN. I have not seen a copy of the Senate bill. It may have the same language in it. The only difference then in the price support is between 70 and 75 percent, of the two bills.

Mr. McLAIN. That is correct.

Mr. ANDRESEN. And you have already stated that the difference—the 15-percent requirement for not going into the soil bank—that is very little difference—

Mr. McLAIN. It is practically the same. It is identical, I would say.

Mr. ANDRESEN. So the only difference then between the Department's bill and the bill introduced here that we have under consideration today, is on the price support?

Mr. McLAIN. No; that is not right.

Mr. ANDRESEN. And, also, the Department's bill requires that 51 million acres terminate in 1959?

Mr. McLAIN. After the duration of the soil bank; that is right.

Mr. ANDRESEN. Well, I just wanted to get that in, Mr. Chairman, the difference between the two bills. They are not identical, but there is an area of agreement.

That is all, Mr. Chairman.

Mr. POAGE. Mr. McLain, I do not know how much you have in the way of figures available here at the moment, but if you could give it to us, I would like to have the base years for corn.

Mr. McLAIN. I can give you the harvested acreage clear back to 1939 if you want them in total for the United States.

Mr. POAGE. I want to know what years you have used in base for corn.

Mr. BEACH. I have those figures.

Mr. McLAIN. Go ahead.

Mr. BEACH. I have them for the 4 years in which they have been established.

In 1950, the base acreage calculated into corn was 57,100,000.

In 1954, it was 59,194,974.

Mr. POAGE. What does it average?

Mr. BEACH. In 1955 it was 56,056,000. It was 60 million, roughly.

Mr. POAGE. It was how much?

Mr. BEACH. Sixty.

Mr. POAGE. Then that gives you a base acreage from which to start?

Mr. BEACH. Those are the base acreages on the basis of which acreage allotments were calculated in accordance with the law, the actual allotment.

Mr. POAGE. But let us get this clear; your base today is an average of how many years?

Mr. BEACH. The base today?

Mr. POAGE. Is that 60?

Mr. BEACH. It is 50 million.

Mr. POAGE. That makes the corn average planting of more than 60 million acres per year in the past 5 years; is that right?

Mr. BEACH. Your commercial area has changed each year.

Mr. POAGE. I know that.

Mr. BEACH. Each one of these bases applies to the commercial area for the year in which it was calculated, and each year it gets bigger.

Mr. POAGE. It has gone up?

Mr. BEACH. So that 60 million has crept up.

Mr. POAGE. Sixty million is your present base?

Mr. BEACH. Yes.

Mr. POAGE. What is it for wheat, your base?

Mr. BEACH. Actual calculated acreage allotment is a little different in the case of wheat.

Mr. POAGE. I want the base back of the growing of wheat before we had controls. That is, the basis on which it was determined what your allotment is.

Mr. DOGETT. About 73 million.

Mr. McLAIN. We can furnish that for you, Congressman Poage. We will be glad to furnish it for you.

Mr. BEACH. I have it here now. The base acreage going back to 1950 was 74 million.

Mr. POAGE. 1954?

Mr. BEACH. Going back up to 1951—in 1954 it was 77; in 1955 it was 78; in 1956 it was 79; and in 1957 it was almost 80.

Mr. POAGE. All right. Call it 80 million, because that is comparable with your corn. What is it for cotton?

Mr. BEACH. Base acreage in the case of cotton in 1950 was 22.5 million; in 1954 was 24.5; in 1955, 25.4; in 1956, 24.7; and in 1957, 24.6.

Mr. POAGE. Of course, those last 2 years include years of reduction?

Mr. BEACH. Yes.

Actual planted acreage went down in those 2 years.

Mr. POAGE. Before you had allotments, in effect, what did you have? Twenty-five something, wasn't it?

Mr. BEACH. Actual acreage in cultivation the year before we had the 1954 allotments was 25.1.

Mr. POAGE. Yes.

Now then, taking those as your basis—and I do not have those exactly, but we won't try to get them exactly—if you take one-third off of corn, you would have 40 million acres, wouldn't you, at present as an allotment? If you reduced wheat by one-third, it would be roughly 55 million acres, wouldn't it? If you reduced cotton by one-third, you would have about 17 million acres.

So that if you reduced these crops each by one-third, you would get just about the allotted acres for wheat and cotton and a little bit above the acres that you have allotted to corn this year, I mean the year 1957.

Then if you applied across the board the same reduction you would get roughly the allotment that you have for each of the three major crops.

That is right, isn't it?

Mr. McLAIN. I would have to check the figures. You do not want to forget this, of course, that the diversion out of the basics affects corn.

Mr. POAGE. I am not forgetting that. I want to talk about that in a minute.

But it is a fact, is it not, that if you reduced each of these major crops by one-third you would get a figure just a little bit larger than the allotment that has been figured for the year 1957?

Mr. McLAIN. I think you would want to include the noncommercial area.

Mr. POAGE. I do not want to include anything. I simply want to know whether that is a fact or not a fact.

Mr. McLAIN. They say it is about right. So that is it. Mr. Beach does not very often make a mistake. Mr. Beach says that is about right.

Mr. POAGE. All right. I am not binding him to a variation of a few hundred thousand, or even a million acres, but it is somewhere very close to it.

Then all that Mr. Abernethy was asking, as I understand, a little while ago, was whether each of these crops should not be treated with roughly, the same kind of program.

You would not contend that this bill that you propose does treat them comparably, do you?

Mr. McLAIN. Yes, I would in light of the fact that we have had this diversion out of the basic commodities, where you have had marketing quotas into the feed grain which has been a directed replacement of corn—

Mr. POAGE. Let us talk about that, if you don't want to discuss this other. Let us talk about that.

I believe in your statement you suggested that we have had a large increase in noncommercial corn and in other feed grains other than noncommercial corn. That is correct.

But you pointed out in your statement on page 2 that since 1954, less than half of our corn farmers have come into the acreage control program. Such reductions as they made were largely offset by other farmers who increased their acreage. Corn production had expanded outside—this is not oats or sorghum but corn production—had expanded outside the traditional corn-producing areas.

When the commercial corn areas were first outlined in 1938, they included 566 counties in 12 States. Now that includes 894 counties in 24 States. And you have just given us the figures to show how the base has increased in proportion.

It seems to me that it would be perfectly clear that what we have been getting has been a tremendous expansion of corn outside of the controlled area, outside of the commercial area which never was controlled.

That is correct, is it?

We have been getting a tremendous expansion outside of the commercial area.

Mr. McLAIN. The very fact we have increased the number of counties is evidence of that.

Mr. POAGE. Exactly; the very fact that you increased the number of counties in the commercial areas proves conclusively that you have been getting a very substantial increase outside of the commercial area?

Mr. McLAIN. Yes.

Mr. POAGE. And yet you propose to perpetuate that thing by maintaining two treatments for the same crop. Corn is grown in Texas.

Mr. McLAIN. Yes. There has probably been some diversion into corn.

Mr. POAGE. Well now, I don't know. We have grown corn ever since I can remember but I believe that land has been taken out of cotton and gone into corn.

Mr. McLAIN. Grain sorghums, of course, is the principal crop which has increased.

Mr. POAGE. I am talking about corn right now. Corn grown in Texas is the same thing as corn grown in Arkansas, isn't it? The same commodity, isn't it?

Mr. McLAIN. That is right.

Mr. POAGE. And when you weight it up—

Mr. JENNINGS. The same bushel.

Mr. POAGE. It gets the same weight. It probably has got about the same feeding value.

Mr. McLAIN. That is approximately right.

Mr. POAGE. Yet you treat the corn grown in one county differently than that grown in another. Why shouldn't we treat it all alike?

Mr. McLAIN. After the expiration of the soil bank with our legislation that is precisely what will happen.

Mr. POAGE. But you are asking for 3 more years in which you propose to continue the thing. I understand Mr. Benson to say it was bad.

Mr. McLAIN. Three more years, yes.

Mr. POAGE. 1957, 1958, 1959, and 1960. That is actually 4 years.

Mr. SIMPSON. Will you yield? Both of you are advocating taking corn out as a basic, are you not?

Mr. POAGE. Neither one of us is advocating that.

Mr. SIMPSON. It seems to me that you are.

Mr. POAGE. I understand that the Secretary of Agriculture sat right where you are sitting 3 weeks and 2 days ago and told us that we should treat corn the same as feed grains.

Mr. JENNINGS. That is exactly right.

Mr. POAGE. Do you recall his testimony?

Mr. McLAIN. I think his testimony was that eventually that ought to be the case.

Mr. POAGE. Why shouldn't it be the case quickly, instead of 4 years hence?

Mr. McLAIN. I think the principal reason is that we have had the diversion from these other basic commodities into feed grains that have caused the trouble in corn that has been loaded on the corn farmer.

Mr. POAGE. How do you stop that diversion except to do something about these feed-grain commodities and put some controls on them?

Mr. McLAIN. As you well realize the farmer in the noncommercial area, of course, can use his own judgment as to what he plants.

Mr. POAGE. That is right.

Mr. McLAIN. Just like all of the feed-grain growers can.

Mr. POAGE. That is right.

Mr. McLAIN. We are finding, as we put the new commercial counties in, that they resent it very much. They just do not want to have acreage controls applied to them.

Mr. POAGE. I am merely asking you why you should not go ahead and treat those people the same as the others?

Mr. McLAIN. Under our bill with 82½ percent of the commercial corn area rate gets it much closer than under the current provisions.

Mr. POAGE. You mean it is about 61½ percent closer?

Mr. McLAIN. It makes 6 cents difference a bushel to the noncommercial corn growers.

Mr. POAGE. You mean that if we pass this bill that the noncommercial corn grower will have a guaranty that will be somewhat higher?

Mr. McLAIN. That is right.

Mr. POAGE. As a matter of fact, there won't be that much difference, either, would there, because under the present law you support corn at 75 percent of parity; do you not?

Mr. McLAIN. We have announced under the current law, a price support of 77 percent of parity, \$1.36 per bushel.

Mr. POAGE. All right, 77 percent. If we pass your bill, you will only support it at 70.

Mr. McLAIN. We have not said that.

Mr. POAGE. Will you tell us now that you are going to set it at a higher figure than 70?

Mr. McLAIN. It would be discretionary, between 70 and 90.

Mr. POAGE. I understand; but it just occurred to me that you would not ask that discretion unless you intended to use it.

If you intended to leave it at 77 I do not see why you would be so bitterly opposed to Mr. Andresen's bill.

Mr. McLAIN. This isn't the point. We are not bitterly opposed. We haven't heard anybody say that, to my knowledge, at least.

We have pointed out the advantages that Congressman Andresen's bill does have for the immediate duration of the soil bank and very rightly so.

Mr. POAGE. I am not talking about duration. We are talking about the price structure. Let us find out, because I think that you agree, Mr. McLain, that if this committee is to perform the duties that you have pointed out we should perform, and you have been quite forceful in pointing out that this committee should act promptly——

Mr. McLAIN. I have tried to be nice about it.

Mr. POAGE. You have—you are always nice about it. I offer no criticism. But you make a clear case about how Congress should act, and embarrassed me when I think about how slow the President has been. It has sort of embarrassed me to see that the President could be so slow when you point out the great need for prompt action.

Because this committee has been sitting here and this morning, today, is the first moment that we have received from either you or the President a statement as to what you wanted.

Now, let us get that in the record. That is the truth, isn't it?

Mr. McLAIN. We, of course——

Mr. POAGE. Let us have the record show whether you agree with me or whether you think I am misrepresenting.

Mr. McLAIN. I think that the record will show that our proposed bill went to the Speaker of the House on the day before yesterday.

I am not sure of the mechanics of how it gets down to you, Bob.

Mr. POAGE. It went to the Speaker of the House on the day before yesterday, and I said that it had not come to this committee until this morning.

Mr. McLAIN. Well, we were——

Mr. POAGE. Not yesterday—not the day before, but this morning. And this committee is the one that is charged with the responsibility.

Mr. McLAIN. I think that if there had been a meeting of this committee called we would have had that to you at the time you called that committee meeting.

Mr. POAGE. We called this committee last week and announced to you at that time——

Mr. JENNINGS. Before then.

Mr. McLAIN. The Secretary said, Mr. Poage, that he wanted the President to make his statement before we presented our bill.

The CHAIRMAN. The President said that he was going to send up something in his first message. That he was going to talk about agriculture.

In the budget message he said he would talk about foreign aid. You haven't any right to accuse us of delaying it.

We had the Secretary of Agriculture come here before this committee was even organized, back in the first days of the opening of this session of Congress.

Mr. McLAIN. We are not fussing with you. I do not mean that.

Mr. POAGE. But you are laying the predicate to do on this committee exactly the same job that you did on us last year. Last year it was the 27th day of February before the Department offered any suggestion as to what it wanted in the way of a soil bank.

The 27th day of February was the first day that there was a suggestion from the Department. Then when we passed it—was it the 12th day of April?

The CHAIRMAN. Yes.

Mr. POAGE. The bill was sent to the President.

The CHAIRMAN. And he vetoed it.

Mr. POAGE. And he vetoed it. And then the whole Nation was told that Harold Cooley's committee fiddled while Rome burned. The whole Nation was told that the Congress of the United States had no interest in the farmer.

No, you are not criticizing us now. But you are laying a predicate. You are expecting to criticize us this fall. I know what you are doing. We understand what you did last year.

Mr. JENNINGS. He came down in my district.

Mr. McLAIN. Congressman Poage—

Mr. BASS. I believe they confessed it was true.

Mr. McLAIN. You have a very fine group of members in the House committee as does the Senate committee.

Mr. POAGE. Just one second and I will yield. I want to speak about those very fine members that you are expecting to do this job on.

Mr. Andresen introduced a bill some time ago, but he had to say he could not get you to give him the authority to say that was the departmental bill. He did say to the committee in all frankness that it was not the departmental bill and not what you were supporting.

And it was not until this morning that the members of this committee knew what you were supporting.

Mr. McLAIN. Well, of course—

Mr. POAGE. You are not supporting Mr. Andresen's bill, are you?

Mr. McLAIN. Again, we came as quickly as we were asked. We were asked Monday and then we were told that you were going to organize your committee.

Mr. POAGE. Oh, no, you were asked the 7th day of January. And the Secretary of Agriculture came. And we asked him then.

Mr. ABERNETHY. I asked him again what program.

Mr. POAGE. We asked him on the 7th day of January. You came as quickly as you were called. You gave the same kind of answer that you gave about what kind of price supports you were going to put on corn.

Mr. McLAIN. The record shows, I think, Congressman Poage, that the Secretary said that the proposal would come after the President's message.

Mr. POAGE. He didn't say the proposal would come when we asked for it. He said of the proposal—"the President will send it down." He didn't say, "the thing will come when you ask us to appear before the committee."

He said it will be sent.

Mr. McLAIN. It was.

Mr. POAGE. It was, day before yesterday; wasn't it?

Mr. McLAIN. That is right.

Mr. POAGE. So let us remember that next fall when you go down into Mr. Jenning's district, and complain so bitterly about how slow this Congress was to act, let us remember how long it took the Department to make up its mind.

Mr. McLAIN. Well—

Mr. POAGE. Isn't that fair?

Mr. McLAIN. If you get it to us in 20 some days I think the farmers——

Mr. POAGE. In 20 some days, yes, that is exactly what you are suggesting. You want this committee to act. You want the House to act. You want the Senate committee to act. You want the Senate to act. And you want the President to study it.

He does not sign bills the day we send them up there.

Just a minute, let me finish.

Mr. ANDRESEN. Will you yield?

Mr. POAGE. You want all of that done. And you want it done in 21 days.

Mr. McLAIN. Well, of course, we would like to get it as soon as possible. All we are asking, Congressman Poage, and I think the committee all agree, is that you look at it on the basis of the merits.

And, of course, whatever you decide, that will be it. But I think from the standpoint of not only corn farmers but livestock growers all over this country we ought to look at it and see whether we cannot get something that is workable.

Mr. POAGE. Mr. McLain, we all agree with that.

Mr. McLAIN. Yes, sir.

Mr. POAGE. When our chairman was away because of a death in his family, in trying to expedite this thing, I called the subcommittee together and I set the corn bill—didn't put it back behind a lot of things which had been introduced ahead of it. I set it for prompt action.

Mr. BELCHER. Will you yield?

Mr. POAGE. Just a minute. Three or four others have asked me to yield.

Mr. BELCHER. A parliamentary inquiry.

Mr. POAGE. There were a lot of things ahead of it, but we recognize how important it is also. We are not trying to delay it.

We want to take action on it. We would like to have your cooperation and to get that cooperation we would like to have you tell us today what the Department will do under certain events because we cannot make a fair decision—we cannot make an honest, appropriate decision as to what should be done unless we know at what price the Department will fix the support price of corn in the event we do this or in the event we do that.

Will you tell us now what you refused to tell Mr. Abernethy—will you tell us at what price the Department is going to fix the support on corn, if we do not pass any legislation?

Mr. McLAIN. Well, we will certainly review that very promptly, Congressman Poage, and get a reply to you. Your question is this, that if this—if the Department's bill was passed what rate of support would we put on it in 1957?

Mr. POAGE. Yes, I think we ought to know that.

Mr. McLAIN. Is that correct?

Mr. POAGE. Yes.

Mr. McLAIN. Do you think that is essential to getting this bill through? If you do think so——

Mr. POAGE. I didn't say it was essential to getting the bill through. I said if we are going to make an intelligent decision as to how it will affect farmers we have got to know the probable result of our action.

The CHAIRMAN. I thought you said 70 percent.

Mr. POAGE. I promised to yield to the gentleman from Mississippi first.

Mr. ANDRESEN. Will you yield?

Mr. POAGE. Will you answer my questions?

Mr. McLAIN. Will you ask it again?

Mr. POAGE. I ask you now if you will answer the question that Mr. Abernethy asked, at what price will you support corn in the event we would pass the Department's bill?

Mr. McLAIN. We will get that answer to you very shortly.

Mr. POAGE. Will you tell us at what price you will support noncommercial corn?

Mr. McLAIN. That will be 82½ percent of the price support to commercial producers as provided by the law.

Mr. POAGE. That is fixed?

Mr. McLAIN. That is right.

Mr. POAGE. Will you tell us then whether or not you will support noncompliance corn within the commercial corn area?

Mr. McLAIN. Of course——

Mr. POAGE. There will be none?

Mr. McLAIN. That again, of course, I think ought to be left to the discretion of the Secretary for——

Mr. POAGE. How can this committee make a fair decision as to whether legislation is needed or not until we know what will be the result of the legislation?

Mr. McLAIN. We will review that. The Secretary is not inclined to want to put support on noncompliance corn unless absolutely essential.

Mr. POAGE. Will the Secretary tell us—will the Secretary tell us that he will not put supports on noncompliance corn? I wish he would. I think he ought to tell us that.

Mr. McLAIN. If this bill were passed——

Mr. POAGE. Will you say that if this bill is passed that there will be no supports on noncompliance corn?

Mr. McLAIN. The Secretary will have to answer that, but——

Mr. POAGE. Will you get that answer for us, and bring it to us later in the week?

Mr. McLAIN. Yes.

Mr. POAGE. Now I will yield.

Mr. ANDRESEN. Will you yield there?

Mr. POAGE. I promised to yield to the gentleman from Mississippi first.

Then I will yield to you.

Mr. ABERNETHY. Go ahead.

Mr. ANDRESEN. Under the bill I introduced the price support on the commercial corn area will be not less than 75 percent of parity. That is quite definite.

Mr. POAGE. That is right. I am asking what it will be if we pass his bill.

Mr. ANDRESEN. I am hoping to pass my bill.

Mr. POAGE. I know, I know. Your bill is a better bill than his in that respect.

The CHAIRMAN. If you do not pass any bill you go to 77?

Mr. McLAIN. To cooperators on the allotted acreage.

The CHAIRMAN. If you really want compliance and want to reduce the surplus of corn, why don't you carry that up to 90 percent of parity.

Mr. McLAIN. It isn't the support level that determines whether there is compliance. It is the size of the corn allotment for which no minimum is provided.

Mr. POAGE. He indicated, at least I gathered from your testimony, if we do not pass any bill that the Secretary was not going to let the corn program just waste into chaos, and that you were to put support on noncompliance corn.

Am I wrong in understanding that you implied that?

Mr. McLAIN. He has the legal authority to do it.

Mr. POAGE. We understand that. And we are asking you at what point he is going to fix that?

Mr. McLAIN. We would not make that determination until we saw what the crop was and reviewed other factors.

Mr. POAGE. I ask you in all fairness, how do you expect this committee to intelligently pass legislation when the Department refuses to tell us what the effect of passing or failing to pass the hearings will be?

Mr. McLAIN. Nobody can predict what the crop will be.

Mr. POAGE. But you are refusing to tell us what you will do. You are refusing to tell us what the result will be if we don't pass legislation.

Mr. McLAIN. All we are saying is that we are not going to sit by—and you would not expect any Secretary to sit by and let corn prices be depressed.

Mr. POAGE. I am asking you to take us into your confidence and speak frankly to this committee on which you placed the responsibility—and if you are going to place the responsibility here, don't you believe that fairness requires you then to deal frankly with the committee and tell us the facts?

Mr. McLAIN. We try to do that.

Mr. POAGE. I don't mean you misrepresent facts. You just answer that you do not have to tell me and that you are not going to tell me.

Mr. McLAIN. Of course, Congressman Poage, I disagree completely with that statement.

Mr. POAGE. I will withdraw the implication that you would demand any immunity. I just meant that I felt that we could all do a better job if the committee could know what the Secretary intends to do under each set of circumstances.

Mr. McLAIN. I think that the Secretary ought to have this authority that he does have to make the decision in the light of what this year's crop produces, and other factors.

I do not think it is any problem, if we get the type of legislation we want, because if we get that I am sure that it is the current intent of the Department not to put supports under noncompliance corn.

Mr. POAGE. You ask us to give you the type of legislation that you want. Yet you refuse to tell us what will happen if we do give you that legislation.

Mr. McLAIN. I disagree with that because I think I said very clearly that we will watch what happens to corn prices in the event no new legislation is passed.

And if it is necessary to put a floor under it we will do it.

We have the authority to do it.

Mr. POAGE. I will yield to Mr. Hoeven.

Mr. HOEVEN. Mr. McLain, the question has often been asked whether or not this is an emergency. And do you not agree with me that this legislation at this particular moment should be considered on its merits as an emergency measure?

Mr. McLAIN. Yes, sir.

Mr. HOEVEN. The objective of the prompt passage of the legislation of this type is to get participation in the soil bank. And I think you will agree with me that in order to get our corn farmers to participate we must make the program attractive.

Mr. McLAIN. Yes.

Mr. HOEVEN. There was a lot of misapprehension on the part of our farmers at the time of the referendum in not being fully satisfied what the minimum degree of support would be on corn. They realized that it might be anywhere from zero to 90 percent. You and I know that the Secretary would not fix the figure at zero. Still there was that apprehension.

So Mr. Andresen and other members of this committee collaborating with him felt that some specific floor should be placed under corn.

There is no disagreement as to the increase in base acreage. I think there is an area of compromise in the extension of this law, that it should pertain to the periods of the soil-bank law, which is 3 years.

So really the only basis of argument, as I see it now, between the Andresen bill and the proponents of that type of legislation and the Department's position is the degree of support, whether it should be 70 percent or 75 percent.

Is the Department taking a firm position that that level of support should be 70 percent?

In that connection, I recall when the so-called Harrison amendment was proposed a year ago the Department was heartily in accord with 82½ percent.

It has been pointed out that without any legislation, the support on corn will be about 77 percent.

Can you tell this committee why you object to fixing the floor at 75-percent parity?

Mr. McLAIN. The reason that we put the 70 percent in, Congressman Hoeven, was to dispel this fear that you indicate that some people had. I think it was completely unjustified.

But then they felt that way. That is the reason it was put in.

Mr. HOEVEN. Don't you think that is an area of compromise that would be worked out without too much difficulty?

Mr. McLAIN. Of course, that will depend upon what finally comes out of this legislative mill.

Mr. Hoeven, there is one other difference, a very real difference, between the two proposals that I think I tried to make clear in my testimony, but from the way you raise the question I think I have not done that.

That is, that Congressman Andresen's proposal after the period of the soil bank, to extend it only to 3 years, as you say, would then revert to the program that we have currently.

In other words, it is an amendment of the 1938 act.

Our proposal is an amendment to the Soil Bank Act which would mean after the end of the soil-bank program that supports and acreage

allotments and base acreages would be eliminated, like they are on feed grains. And it would be discretionary on feed grains.

I think we ought to be perfectly clear what the differences are. That is what we tried to indicate to you, because we do not want any misunderstanding on our part on what our proposal is.

Mr. HOEVEN. But you appreciate the fact that under your proposal program will continue during the life of the soil bank another 3 years, during which time the matter would be subject to review by the Congress.

Mr. McLAIN. That is right.

Mr. HOEVEN. I am thinking about the psychological effect of this type of legislation in view of the results of the recent referendum. I can see no reason in the world why we cannot say, fix the floor under corn at 75 percent of parity. With the increased acreage allotment and a minimum support, I predict that we will get a large compliance in the soil bank.

I am very hopeful that some compromise can be worked out and that the legislation can be handled expeditiously as an emergency matter.

Do you find anything wrong with those conclusions?

Mr. McLAIN. No. I have so stated in my testimony exactly what you have said. The only concern, of course, of the Secretary and the Department is that at the end of the soil-bank period we will be right back where we started.

Mr. HOEVEN. True. It could be reviewed any time in the next 3 years. We are just quibbling as between 70 and 75 percent of parity.

Mr. McLAIN. No.

Mr. HOEVEN. Which in dollars and cents isn't going to amount to too much.

Mr. POAGE. Since Mr. Hoeven has raised the question that it was a fear on the part of the people that they did not know what the Department was going to do in regard to setting support prices that caused you to lose this referendum, might not a like fear on the part of the members of the committee cause you to lose this bill? Does not what he says there point up the desirability, at least, of telling this committee frankly what you did intend to do. You didn't tell the people what you intended to do. They were fearful of it.

Maybe we are just ordinary people here, and maybe we have the same kind of fears that those corngrowers had when you will not tell us what you intend to do.

Mr. McLAIN. I have said to you, Congressman Poage, after a very short review of the Secretary on the point you raised about where we would put this price support in 1957 if the Department's recommendation were carried through—

Mr. POAGE. You told us that you would give us the information if we passed the bill. You would tell us what would happen. But you won't tell us what will happen if we don't pass the bill.

So we have no fair measure of determining the two choices before us. And since you are not willing to give us the information to enable us to evaluate those two choices we cannot act intelligently.

Mr. McLAIN. I do not think the Secretary can act intelligently on the latter proposition until we see what happens to the corn production.

Mr. POAGE. If he would tell us the range then—of course, I recognize—

Mr. McLAIN. I have said that he will not sit by and let corn prices—

Mr. POAGE. You have told us that you told those people out there about the same thing, too, and it didn't satisfy them.

Frankly, it does not satisfy me as a member of the committee.

But the Department has a right to refuse to tell us, if they want to. We only invite you to tell us. And we have offered you the opportunity to give us the information. And if you don't want to give it to us, I do not want to push it.

But Mr. Belcher asked me to yield to him, I presume, for a question, which I will be glad to do, to yield for a question.

Mr. BELCHER. The question was raised a while ago that corn and feed grains should be treated equally. I think Mr. Poage raised that question.

Well, putting a minimum of 70 to 90 would be treating them the same, wouldn't it?

Mr. McLAIN. That is correct.

Mr. BELCHER. Treating feed grains and corn on the same basis, wouldn't it?

Mr. McLAIN. We have not supported feed grains below 70 percent since the Secretary has been here.

Mr. BELCHER. If you put it at 70 to 90, wouldn't that be treating corn on the same basis as feed grains?

Mr. McLAIN. That is what we thought.

Mr. BELCHER. That is all.

Mr. POAGE. I want to pursue some further questions.

Mr. JONES. We have used the date March 15 and Mr. Hoeven used it a moment ago as the signup on the corn. In this statement you say that the cutoff date on spring planted is March 8 for corn. Is that the correct date?

Mr. McLAIN. We are already in operation in signing corn farmers. And the March 8 day is correct.

Mr. JONES. Not March 15?

Mr. HOEVEN. I stand corrected if that is the case.

Mr. JONES. We have used that figure March 15 several times.

Mr. HOEVEN. I thought he meant February 15.

Mr. JONES. I want to clear up one thing in my mind. And maybe in some other people's, too.

Am I correct now that it isn't necessary for the corn farmer to reduce his acreage allotment in order to participate in the soil bank?

He reduces his base allotment, base acreage, rather than the allotted acreage.

Mr. McLAIN. On the basis of the way the referendum carried—on the basis of an allotment program we now have in effect—

Mr. JONES. I am talking about the way that you operated last year and the way you would operate in case we do not have any legislation.

Mr. McLAIN. Well now, that would be two different things, because last year we had the 51-million-acre base. If we do not have any additional legislation we will revert back to the old allotment program. I want to be sure that I get your question.

Mr. JONES. I read in here—you gave use an example here of about cutting down, that is, in your bill, in your proposed bill you would not have to reduce his allotted acres in order to participate in the soil bank. He could take soil bank.

Mr. McLAIN. Out of other acres.

Mr. JONES. Out of his base acreage and not his allotted acres, is that right?

Mr. McLAIN. That is right. Let me illustrate it this way again—

Mr. JONES. On other crops he has to take it out of the allotted acres; does he not?

Mr. McLAIN. He could do it two ways under this proposal—under both what Congressman Andresen proposes and what we propose on this score.

He could reduce it below base the 15 percent and put in that much less corn. He would be paid on the basis—

Mr. JONES. He could not plant his base; he has to plant the allotted acres in order to comply with the program?

Mr. McLAIN. He has to reduce it 15 percent below base acreage, which would put him back down where the allotment was last year.

In 1957 his allotment is clear down to 37.3 which is below the 51 that it was a year ago. All he needs to do is to reduce it 15 percent below his base acreage.

Mr. JONES. He does not have to reduce his allotted acres any at all; is that right? He does not have to reduce below his allotment any at all in order to participate in the soil bank?

Mr. McLAIN. If this bill passed he would not have any allotment as such. He would just have the base.

Mr. JONES. In other words, his allotment would be his base—his base would be his allotment?

Mr. McLAIN. That is correct.

Mr. JONES. You are not giving that to any other crop—is it proposed that any other crop be treated that way—are you?

Mr. McLAIN. Only again repeating, this places a 51-million acre minimum allotment similar to what we have established for the other commodities.

Mr. POAGE. In that connection I want to ask this: That is one of the things I want to get to. You have made it appear here—and I do not mean to question for a moment that you are not right—you have made it appear that the corn people have suffered a grievous injustice because they do not have a minimum allotment.

Mr. McLAIN. And—

Mr. POAGE. And cotton has a minimum allotment—the number of acres required to produce 10 million bales.

Mr. McLAIN. That is correct.

Mr. POAGE. Which figures out 17 million acres. And wheat has a minimum. Those were put in at the request of the cotton people and the wheat people. And the cotton people voted for it.

Mr. McLAIN. That is right.

Mr. POAGE. And I want to see if there is anybody here that recalls any time when any representative of corn ever asked to put a minimum allotment on for corn and if any man from any other section ever opposed it.

Has that ever happened in this committee?

Mr. HARVEY. I didn't get the question.

Mr. POAGE. Has any representative from any of the corn area ever proposed in the way of legislation that we establish a minimum acreage for corn similar to that which we have for cotton or wheat?

Mr. ANDRESEN. I did.

Mr. POAGE. You introduced it? When?

Mr. ANDRESEN. When we had this bill in 1937.

Mr. POAGE. I was not a member of the committee in 1937, so I confess I cannot recall it.

I am sure that the gentleman——

Mr. ANDRESEN. If you will yield, I proposed at that time that there should not be any exemptions, have enough acreage to fill a silo.

Mr. POAGE. That is not what I am talking about. I remember your amendment to that effect. I was not on the committee, although I remember hearing about it.

Has anyone ever proposed to this committee—has the Department ever sent a recommendation or has any member of this committee ever introduced legislation asking us to establish a minimum allotment for corn?

Mr. HARVEY. Was not that the base—I think I remember that was one of the proposals I made last year with regard to the soil bank. The CHAIRMAN. It was included in the bill last year.

Mr. POAGE. What minimum allotment did you suggest?

Mr. HARVEY. I suggested that we use the 56—as I recall, 56 million acres as the basis.

Mr. POAGE. Yes, as the base, but what minimum allotment has ever been suggested? He offers a base of 51 million acres instead of your 56, but I refer to a minimum such as exists for wheat and cotton.

Who has ever suggested, if it has ever been done, that we place the same kind of minimum allotment for corn that we place for cotton and wheat?

Mr. McLAIN. I think the reason for it was not there until the soil bank came along, because marketing quotas are not applicable to corn and we do not have the problem in corn.

Mr. POAGE. I am just asking. You have, I take it, by your statement that this is the reason, agreed it never has been proposed either by the Department or by representatives of the corn areas.

Mr. McLAIN. We never proposed it.

Mr. POAGE. You never proposed it. And no member will stand here now and say for the record that he offered a bill to do that sort of thing.

But it just seems to me that it is rather unfounded criticism of the committee and of the cotton and wheat people when it is suggested that they enjoy some special advantage that the corn people have never thought they wanted. We never denied the corn——

The CHAIRMAN. We were criticized for fixing a minimum on cotton.

Mr. POAGE. We have never denied corn a program that they asked for that I recall. And if there is no minimum allotment for corn, lay it at the door of the corn people and not at the door of the wheat and cotton people, because we are not responsible for it.

I will yield to the gentleman from Mississippi.

Mr. ABERNETHY. Mr. McLain, you are suggesting this 51 million base or allotment, or whatever you call it, as a minimum comparable to that of wheat and cotton; is that right?

Mr. McLAIN. That is correct.

Mr. ABERNETHY. What formula did you use to provide the figure of 51 million acres for corn as being comparable to 17 million acres for cotton?

Mr. McLAIN. Several of the individuals introduced at the time——

Mr. ABERNETHY. No, no; I didn't ask you that. I said: What formula did you use?

Mr. McLAIN. We used the one that Congress finally came up with, which was a compromise out of last year's soil bank legislation.

It started out at 56 million acres and there were other proposals.

Mr. ABERNETHY. I am speaking of the economic situation. This is an economic question.

Mr. McLAIN. This was reviewed at that time and this 51 was thought by those that were studying this at that time to be comparable to the 55 million acres for wheat and similar treatment for cotton.

Mr. ABERNETHY. From the standpoint of economics, this is an economic question. You are saying that the 51 million base for corn is comparable to the present 17 million acres for cotton; is that right?

Mr. McLAIN. I am saying that the compromise which was arrived at in last year's soil-bank legislation indicated to us that it reflected the wisdom of the Congress.

Mr. ABERNETHY. What is your view?

Mr. McLAIN. I think it is not far out of line.

Mr. ABERNETHY. What is the economic formula that causes you to arrive at that?

Mr. McLAIN. I think that the simplest way to look at it is this. The 55 million acres of wheat allowed by the minimum will about produce the amount that we can use and 51 million acres in corn will do about the same thing.

Mr. ABERNETHY. The year before when you fixed—the Department I should say, undoubtedly you advised them—fixed the minimum for 1956, that is, the allotment before you had the soil bank at 44 million acres, why didn't you then make an appeal to the Congress to raise that minimum to 51 million?

Mr. McLAIN. Until the soil-bank legislation was a reality, this problem really didn't confront the corn farmers to the extent that it did after it became a reality.

Mr. ABERNETHY. Why would the soil bank have anything to do with that minimum? That soil-bank thing was just something to hand folks—checks as it turned out to be.

Mr. McLAIN. No, no; the intent of the soil bank as we realize it——

Mr. ABERNETHY. Was to bank soil.

Mr. McLAIN. And to get some reduction in the basic commodity, particularly.

Mr. ABERNETHY. But it turned out that it didn't bank the soil so far as corn was concerned. It just banked cash, \$179 million worth.

Mr. McLAIN. We would not quite agree with that. And I think the record shows otherwise.

Mr. ABERNETHY. Maybe that is an unfair statement. I will withdraw it.

I do not understand how you arrived—and I am not saying I am not going to vote for this bill—do not misunderstand me—I do not understand how you arrived at the 51-million acre minimum for this particular commodity when it is all based on economics and then say

at the same time that it is comparable to what wheat and cotton and these other crops have in the way of minimums.

Mr. McLAIN. Let us go back to wheat again. You will recall that we gradually reduced the acreage to 55 million.

Mr. ABERNETHY. Then your point is that it will be too severe to fix it at a lower minimum?

Mr. McLAIN. I think in comparison to other commodities, I think that is correct.

Mr. ABERNETHY. Why did you fix it at 44 million in the fall of 1954?

Mr. McLAIN. We had no other discretion under the law.

Mr. ABERNETHY. You did not recommend that it was an uneconomic minimum—you did not ask that it be pegged. You only asked that it should—to get soil-bank checks?

Mr. McLAIN. Not that. To get participation, to reduce corn acreage.

Mr. ABERNETHY. But you did not reduce it.

Mr. McLAIN. Again that is a matter of the record.

Mr. ABERNETHY. How much did you reduce it?

Mr. McLAIN. Actually, a million seven hundred thousand.

Mr. ABERNETHY. A million seven hundred?

Mr. McLAIN. Yes.

Mr. ABERNETHY. You paid for how many?

Mr. McLAIN. We paid more than that, because of underplanting as we did on other commodities.

Mr. POAGE. Right on that point, I believe you said that the national base was 51 million acres last year, but that of the 52,890,000 acres, 5,200,000 went into acreage reserve.

Then on page 4 you say that corn acreage in this commercial corn acreage was 55 million acres, 4 million more than the base; is that right?

Mr. McLAIN. That is right.

Mr. POAGE. 55 million acres?

Mr. ABBITT. What was that?

Mr. POAGE. 55 million acres.

The CHAIRMAN. We shall have to continue the hearings. Other members of the committee wish to question Mr. McLain, I am sure. We have other witnesses who wish to testify. We have with us, too, the Honorable H. Carl Andersen from Minnesota, an author of a corn bill.

Mr. POAGE. Our own colleague, Mr. Jennings, has one.

The CHAIRMAN. I think we should adjourn until 10 o'clock tomorrow morning. Can you return then?

Mr. McLAIN. Yes.

Mr. ABBITT. What do you estimate would be the acreage planted in the commercial area assuming this program went through?

Mr. McLAIN. We anticipate it would be down 4 to 5 million acres under what it was in 1956.

We feel that it would get 4 to 5 million acres in the soil bank and that it would cut production in 1956.

The CHAIRMAN. We shall adjourn now until tomorrow morning at 10 o'clock.

(Whereupon, at 12:05 p. m., the committee adjourned, to reconvene at 10 a. m., Thursday, January 31, 1957.)

ACREAGE RESERVE ALLOTMENT FOR CORN

THURSDAY, JANUARY 31, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to notice, at 10:05 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Mr. POAGE. The committee will come to order.

Mr. McLain, yesterday you were testifying. We would like to go a little bit further in our questioning of you as to some of the discussions we were having yesterday.

As I pointed out, it seems to many of us that we should have a program that would take care not only of corn but that would take care of the other commodities on exactly the same basis.

And, certainly, I am for giving corn a workable program. But I think at the same time we should make the program go across the board.

I just wondered if you would think it was sound to extend to the other commodities the same sort of general relief that you extend to corn.

STATEMENT OF HON. MARVIN L. McLAIN, ASSISTANT SECRETARY;
ACCOMPANIED BY HON. TRUE D. MORSE, UNDER SECRETARY;
DON PAARLBERG, ASSISTANT TO THE SECRETARY; CLARENCE
MILLER, ASSOCIATE ADMINISTRATOR, COMMODITY STABILIZA-
TION SERVICE; HOWARD DOGGETT, DIRECTOR, SOIL BANK DIVI-
SION, COMMODITY STABILIZATION SERVICE; MARTIN SORKIN,
SECRETARY'S OFFICE; CLAUDE COFFMAN, GENERAL COUNSEL'S
OFFICE; AND R. P. BEACH, ASSISTANT DEPUTY ADMINISTRATOR,
OPERATIONS, COMMODITY STABILIZATION SERVICE, DEPART-
MENT OF AGRICULTURE

Mr. McLAIN. I do not follow quite all of what you said, Mr. Poage.

Mr. POAGE. As we discussed yesterday, we have taken cuts in cotton and wheat and in peanuts and in rice and in tobacco, that are more severe than the cut in corn. We have already taken cuts, and they are more severe than the acreage cut that is proposed in corn.

Now, I am merely suggesting that, as we see it, the present proposal is to say to the corn people, "You do not believe you can stand the cut of one-third of your acreage, you don't believe you can stand it and you are not going to comply if we give you that kind of a cut. Therefore, we are going to pay you to comply. We will allow you to put your land into the soil bank."

That is the essence of the present proposal for corn; isn't it?

Mr. McLAIN. I would be glad to try to answer the question that you have raised.

I think, first of all, Mr. Poage, you have got to recognize that each one of these commodities is different.

In the first place, you have got marketing quotas on all basics except corn.

In the second place we have had tremendous export subsidies on things like wheat for years, and recently, as you well know—and we were in agreement—we have got a terrific subsidy on cotton.

Well now, corn has not been over the years given that kind of treatment. It just has not. The facts bear it out.

I tried to point out to you yesterday that because when this legislation came up a year ago and this thing was reviewed by your committee and the Senate committee, that everybody recognized that corn had not had a minimum allotment—and you pointed out yesterday that nobody had asked for it.

I think everybody recognized a year ago that it was in an unfortunate, untenable position. There were even suggestions made that it be put in at 56 million acres. As I say, the compromise was 51.

We have to recognize, too, that since last year we have added 54 more commercial counties. And we are still talking about the same 51 million acres, even though we have picked up 54 counties, most of them in the southern area, which makes it even less palatable this year than it did a year ago.

Mr. BASS. Will you yield there?

Mr. McLAIN. Yes.

Mr. BASS. Let us keep the record straight.

Mr. POAGE. Please, let the gentleman finish.

Mr. BASS. I thought he had.

Mr. POAGE. No, he had not.

Mr. McLAIN. Whom shall I reply to—Mr. Bass or Mr. Poage? I will be glad to be interrupted.

Mr. POAGE. I do not want to be rude to any members.

Mr. BASS. You were not.

Mr. POAGE. You were trying to answer the question. I was trying to give you the opportunity to answer my question because I had not completed my own statement which you were trying to answer.

Mr. McLAIN. I will just try to comply in whatever way you want me to comply here. I think I have said about all in answer to your question.

The very fact that this was passed a year ago was evidence to me that the Congress felt that it was a fair proposition. It is less fair today than it was a year ago, because we have got 54 more counties in it.

Mr. POAGE. I think I might suggest there that Congress accepted this thing a year ago as a part of the package deal to try to do what you are attempting to do this morning or yesterday morning, that is to get prompt action.

We will agree with you as to the desirability of taking prompt action—any effort to get a bill and to get something passed, in an effort to try to compromise, and to get action that Congress will accept.

There was the suggestion last year—without going any further into it, because we felt that we had to get legislation passed. We are trying not to be put in a position of waiting until April.

And we are trying now to do something where we are not going to be under that kind of under-the-gun pressure.

We passed something last year under terrific pressure of time. And you now give that as an excuse for doing the same thing this year.

I do not think that is a good excuse for doing the same thing this year unless that is the sound approach.

Mr. McLAIN. I think it is.

Mr. POAGE. Unless that can stand on its own merits, regardless of what we did last year, that is no reason for doing it this year.

Mr. McLAIN. It was debated very considerably a year ago. I think nothing was discussed any more than this one point in the discussion of the overall bill.

Mr. POAGE. That is right; but not the feature to which you refer.

Do you not think that we would have been able to have gotten the soil-bank bill without accepting this extra base for corn last year?

Mr. McLAIN. I think that is correct, because it would have been unfair treatment to the largest single commodity.

Mr. POAGE. Exactly. And nobody wanted last year, and nobody wants this year, to create an impossible situation for corn. But I call attention to the fact that you criticized yesterday and you have continued to criticize, and not only you but many others—you have criticized those of us who represent the areas where we grow the allotted crops by and large; wheat and cotton primarily.

You have criticized us for going into and planting feed grains.

Mr. McLAIN. I do not think we were critical. It was just factual.

Mr. POAGE. I know. I do not mean that you blame us for doing an immoral act.

Mr. McLAIN. Your farmers——

Mr. POAGE. You point out that it breaks down other people's programs.

Mr. McLAIN. That is it.

Mr. POAGE. We recognize it as well as anybody else recognizes it. But we recognize that the only way in the world we can carry out this allotment is to have some kind of income from some other source. You recognize that is true for the corn farmers. You recognize that that corn farmer cannot cut 37½ million acres unless he has some supplemental income.

So you come in here and suggest to us—and I am not condemning that—but you come in and suggest to us that we should give that corn farmer \$214 million out of the soil bank, to supplement his income, to enable him to reduce not to 37½ million acres, but to enable him to reduce something below 51 million acres.

Now we have already reduced—speaking of the other crops, other than corn—the other basic crops, every one of us have already reduced down to the equivalent of 37½ million acres for corn—every one of us—and we have not gotten a dime out of the Government for doing so, except as you say in these indirect methods whereby we subsidy somebody else to move the crop abroad.

But that does not go into the farmer's pocket.

Mr. McLAIN. It helps keep the support level up.

Mr. POAGE. We think that it has had a generally good effect and has supported the market so as to minimize CCC losses, but if you are going to say that we have the same opportunities that you are proposing to give the corn people, why don't you let us decide that question and let us say, "All right, let us just have the same kind of program that corn has."

That is all we are asking. We are not asking for a different program. We are not asking to write the corn program. We are simply asking that, if you are going to give the corn people the opportunity to enjoy the benefits of this soil bank, give it to the rest of us, too.

Mr. McLAIN. Well, Mr. Poage, of course we go back to the basic philosophy that was in this act which I think all of this committee agrees was sound, that was to get some reduction for the money spent.

We recognize that in 1956 that was not done.

In 1957 we are sure that it will be done if we get this added legislation to supplement what we already have.

Mr. POAGE. Yes.

Mr. McLAIN. We have strong evidence in the cotton and tobacco areas—and in the wheat area we have absolute evidence—that we will get participation of farmers in this program.

Now we are not going to get it in the corn area unless we do this. And we just want to be sure that this committee understands this, because the repercussions of that will be felt all over this country.

Mr. POAGE. We are not arguing with you that you are not going to get it. We are telling you so far as I am concerned that I am perfectly willing to go along with the corn people and let them have what you and they feel is essential to get results in the corn area, but then I am saying that simply because they have been able to sit back and say, "Now we are just not going to cut our acreage unless you pay us"—

Mr. McLAIN. Well, now——

Mr. POAGE. You should not penalize those of us who said we would make the effort to cooperate and who have cooperated in the past with any soil bank payments. You should not penalize us, but you should give us the same opportunity that you give the corn man.

Mr. McLAIN. Well, now, Mr. Poage, the farmers are smart. They are the smartest class of people that we have, in my opinion. And in your——

Mr. POAGE. If they were so smart they would be in better financial condition than they are. Maybe they are just dumb in electing the Congressmen they do. Maybe that is the only thing that is wrong with them. We have not been able to give them a program which would enable them to live like Government employees, including Congressmen, and like industrialists, and like city workers and every other segment of our economy.

They are the poorest paid people in America. And I do not think they can be so smart economically if they are the poorest paid people in America. But maybe they are just plain dumb in voting for an administration which sets up a Department of Agriculture to reduce, rather than increase, farm income.

Mr. McLAIN. The point I wanted to make, on wheat we have a wheat signup of between 10 and 11 million acres.

Mr. POAGE. How much are you going to pay for that?

Mr. McLAIN. We are going to pay the normal yield in those areas for it.

Mr. POAGE. How much?

Mr. McLAIN. It will be more than we paid for corn.

Mr. POAGE. You mean it will be more than \$179 million?

Mr. McLAIN. We are talking about 1957. It will be more than we paid for corn. I can give you that.

Mr. POAGE. Paid more for corn—when?

Mr. McLAIN. 198 million, Mr. Beach says here—around \$200 million.

Mr. POAGE. On wheat?

Mr. McLAIN. On wheat—on winter wheat.

Mr. POAGE. We haven't—

Mr. McLAIN. We haven't had our spring wheat signup yet and we anticipate that we will get a good signup there.

The fact that farmers are accepting this program and are willing to do the job, if we just let them do it, I think, is pretty good evidence that the thing is not too unfair.

Mr. POAGE. It still does not put us in the position of being able to share on the same basis as the corn farmer.

Mr. McLAIN. The farmers in Texas by their signatures on these winter wheat contracts indicated that they—

Mr. POAGE. The farmer in Texas has already taken a 33⅓ percent cut in his wheat acreage before he could put an acre in your soil bank, hasn't he?

Mr. McLAIN. Again, I say to you that I think it was the thought of this program that we get some further reduction from where we were.

Mr. POAGE. I know. You propose to say to the man who has made no reduction, "All right, you can start right where you are, and you can draw money from us in order to get further reduction."

You say to the man who has made some reduction already, "All right, you have already made a sacrifice, so we are not going to consider that. Now for the further sacrifice you will make we will pay you for it, but we will give you no consideration for what you have already done."

That is what you are saying, isn't it?

Mr. McLAIN. No.

Mr. POAGE. It isn't?

Mr. McLAIN. No.

Mr. POAGE. Where are you paying the wheat man or the cotton man or the tobacco man, or the peanut man who has already taken a third of his acreage in reduction—where are you letting him get anything for that?

Mr. McLAIN. Of course, if we are going to do what the Soil Bank Act intended we have to cut back from where we are.

Mr. POAGE. There are members of this committee who do not agree with your philosophy on that.

I hope we do not have to get into an argument about the philosophy of the soil bank. Some of us hold a different philosophy from what you do. I am just asking as to the practical operations of the thing.

Where are you letting anybody, except the corn man, get anything until he has already taken a 30 percent cut?

Mr. McLAIN. Well again, I think you just must take into consideration the fact that these minimum acreage allotments were put on for crops other than corn—they have been for wheat—they have been for cotton—and that is the prime basis for it.

Mr. POAGE. I am taking all of those things into consideration. I am not arguing that point with you. I am just asking you a question of fact, do you suggest or propose any method whereby any grower of any controlled crop, other than corn, can get one dime out of the acreage reserve of the soil bank until he has already taken a 30 percent or a greater cut in his acreage.

Mr. McLAIN. I would have to recheck the figures that were developed here yesterday on that. I assume that you have calculated them right. If they have been calculated right, I will certainly agree with them, but, again, the point is, are we going to try to get the production cut back, which the soil bank intended, in a wise way?

Mr. POAGE. Not in the face of doing an injustice. I think that our cuts should be fair. I think that our program should be done on the basis of justice, and that justice should be our first objective. And that the reduction of acreage should be our second objective.

Russia has a way of getting controls of acreage. It is much more effective than anything we have, but she is not interested in the justice of her acreage controls.

I am interested, first, in justice; and second, in getting the economic results you want.

Mr. McLAIN. Well again, let me just say one further thing, Mr. Poage, which is really at the heart of this. The fact that the diversion has been made out of cotton and wheat and tobacco into feed grains has been the principal cause of the whole corn problem.

I think if that had not been done, even your corn Congressmen here would not be asking for help.

Mr. POAGE. If you treat us just like you ask us to treat corn, we would not be a burden on the feed grains, because if you let us put these acres into the soil bank we cannot put them into feed grains, can we?

Mr. McLAIN. Of course, what you would be asking under that kind of a philosophy is that the diversion you have made to feed grains which caused the corn problem is now going to be compensated for.

Mr. POAGE. We did that because no farmer can live without income. You cannot take a 33-percent cut in corn, nor in cotton, nor in wheat—simply take a 33-percent cut—you have got to do something to get some supplemental income from those acres that you have taken out.

You have said that is true about corn. You pointed out—and I think rightly—I am not criticizing or condemning it—I think Mr. Andresen is right in saying that you cannot take this vast acreage out of corn without giving the corn grower an opportunity to have some supplemental income. And you propose to give it to him out of the soil bank. I am not finding any fault with that.

In the past we came to the farmer and said to the cotton and wheat farmers, "You reduce your acreage."

He reduced his acreage. He could not reduce his acreage without getting a supplemental income somehow out of those acres.

So instead of growing the high-yielding crop, as Mr. Abernethy pointed out yesterday, he turned to the lower return crop.

But nevertheless, when he planted that land in corn in Mississippi and Texas it created competition for the man in Iowa and in Nebraska and in other places.

And when he planted it in grain sorghum or in oats, he created competition. But he had to do it because he did not have the kind of program you offered to corn.

We are suggesting that you get us out of this unhappy situation. We enjoy it no more than you do. We are no more anxious to grow corn on our diverted cotton acres than you are anxious to have us do it.

We are only asking you to enable us to get out by giving us the same opportunity that you give the corn man and, that is, to let us put that land, or a part of it, in the soil bank. And when we put it in the soil bank we are automatically out of the corn business. We are indeed out of the feed grain business.

Mr. McLAIN. All I can say is that if corn had had the same treatment on the minimum acreage that wheat and cotton have had, I am sure that the corn delegation in Congress would never have asked for this base proposition.

Mr. POAGE. Then why didn't the corn delegation in Congress come in and ask us for that?

Mr. McLAIN. Because up until that time they had had no marketing quotas. People were not complying with their corn allotments, by and large, in large areas and they knew this.

Mr. POAGE. We did not cause this situation. They are to blame for that. You are penalizing the cotton and wheat man—penalizing us. You are saying that we created the situation and therefore, "stew in your own juice." That is what you are telling us now.

Now, the corn people had the opportunity, according to your testimony here, to avoid the problem which now confronts them. But they did not even ask for an opportunity to get out of it, did they?

Mr. ANDRESEN. Will the Chairman yield?

Mr. POAGE. Certainly.

Mr. ANDRESEN. I certainly did. I offered an amendment to exempt corn acreage sufficient to fill silos with.

Mr. POAGE. That is not what he is talking about.

Mr. ANDRESEN. That is corn. And you voted against it.

Mr. POAGE. I was not even a member of the committee at that time. I was not here at that time. That was 1937, wasn't it?

Do not tell me that I voted against it when I was not here.

Mr. ANDRESEN. You have been here for a long time.

Mr. POAGE. Why did you say I voted against it?

Mr. McLain, why can't we just treat everybody alike? Why do you object to treating us the same as you treat corn?

Mr. McLAIN. Again, I say I think if corn had been given the same treatment as wheat and cotton—

Mr. POAGE. Let us not talk about what has happened. We are faced with the situation now. And if you want to get into recriminations as to why it happened, I think it is perfectly clear that it is not wheat and cotton farmers fault that corn got into that shape.

Let us not argue that. Let us deal with the problem that faces us now.

Corn is in bad shape. We recognize that. Why do you object to giving us the same remedy that you propose to give corn?

Mr. McLAIN. We think we have.

Mr. POAGE. You know you haven't.

Mr. McLAIN. Oh, no.

Mr. POAGE. You know you haven't. You do not let us put a thing in the soil bank until after we have cut our base acreage by 30 percent. You let corn put in after they have cut 12 percent. That is not the same treatment.

And if you think it is the same treatment, why do you object to giving corn the formula you gave cotton and wheat?

Mr. McLAIN. If we had not had the minimums under these other commodities we would have been very happy to have arrived at a base figure for these for cotton and wheat.

Mr. POAGE. If you had not had what?

Mr. McLAIN. If we had not had 55 million acres——

Mr. POAGE. I just could not hear you.

Mr. McLAIN. I said if we had not had a 55-million-acre minimum allotment and the wheat allotment had gone down like the corn allotment did, I am sure that the wisdom of this committee would have seen to it that last year that that would have been taken care of.

Mr. POAGE. We did have 55.

Mr. McLAIN. That is right.

Mr. POAGE. A minimum allotment for wheat. We did have it. We did have a 10-million-bale minimum allotment for cotton. We did have a 1,610,000-acre minimum for peanuts. We did have those things.

The representatives of those areas had foreseen what was going to happen and had written that into the law.

Mr. McLAIN. I think——

Mr. POAGE. Now then, do you blame us for writing it into the law?

Mr. McLAIN. I think it was written into the law because you had marketing quotas with them.

Mr. POAGE. Do you blame us for writing it into the law?

Mr. McLAIN. No, I don't.

Mr. POAGE. Then why penalize us for doing it?

Mr. McLAIN. I do not think we are. Just now we are doing for corn what has been done for the other commodities.

Mr. POAGE. You are doing for corn a great deal more. You are doing for corn for the coming year almost exactly what you did for it last year, aren't you?

Mr. McLAIN. It will be a little less because of the 54 added counties.

Mr. POAGE. You have added 54 counties, that is right. But you are doing for corn substantially what you did for it last year.

What percentage of the total soil-bank money did corn get last year?

Mr. McLAIN. Well, I would think that we would have that after reviewing that 2 or 3 times here.

Mr. POAGE. You have it in mind, don't you?

Mr. McLAIN. It was a substantial percentage of it.

Mr. POAGE. It was what?

Mr. McLAIN. It was a substantial percentage.

Mr. POAGE. What percentage?

Mr. McLAIN. The precise percentage? You know what it is. The committee knows what it is.

Mr. POAGE. It was three-fourths.

Mr. McLAIN. Between that and three-fourths, I think. The explanation of it, I think, has been adequately given.

Mr. POAGE. We have gone into that time and again. I wondered why you are so reluctant to state the figures.

Mr. McLAIN. I am not reluctant to state it.

Mr. POAGE. We will get along fine if we can just get answers to the questions.

Mr. HOEVEN. I would think that other members of the committee would have a chance to ask questions and not have one member usurp the time. Go ahead and take up the time.

Mr. POAGE. We are waiting for an answer, when he won't tell us the percentage, when everybody knows it.

Mr. HOEVEN. You know it is in the record half a dozen times. Why not let us get to the legislation and not rehash this old stuff.

Mr. McLAIN. Seventy percent, Mr. Poage.

Mr. POAGE. All right.

Mr. McLAIN. I do not keep all of these figures in my mind, as you well know.

Mr. POAGE. That is all right. But I just thought that there ought not to be any reason for avoiding the fact that we did spend 70 percent of the soil-bank money for corn. That we are called on to adopt a program that will result in substantially the same thing this year. And that we just do not think that is treating everybody the same.

I believe that there is a little correction to be made. When we say that we have gotten minimum allotments for all of these crops, I do not believe that you have a minimum base for tobacco, do we?

Mr. McLAIN. Well, as I pointed out to Mr. Cooley yesterday, tobacco has had a special program of its own. That is what I tried to point out here to start out, that each of these commodities has had a special program.

One other figure, for the record here——

Mr. POAGE. Surely.

Mr. McLAIN. For 1957 is this: There will be 28 percent of the money that is available will be used for corn if we can get the type of legislation that we think we ought to have.

Mr. POAGE. There will only be 28 percent——

Mr. McLAIN. Twenty-eight percent.

Mr. POAGE. Of the money that will be available?

Mr. McLAIN. That is the maximum that could be used.

Mr. POAGE. What was that last year, in 1956?

Mr. McLAIN. The relationships were the same last year. But, of course, we did not utilize near all of the total money because the thing was put in operation——

Mr. POAGE. That is the point. Last year that figure was the same as this year, but the result was different.

Let us drop over to the latter part of your statement where you, on page 11, I believe, made some remark about the effect of feed grains.

I just wondered if you would agree with the philosophy that cheap feed grains makes for more livestock?

Mr. McLAIN. I thought I made that clear in the statement.

Mr. POAGE. I wanted to make that clear and I thoroughly agree with you. I wanted it clear that we do agree on some of these things, because I do agree with you that excessively cheap feed is the worst thing that could happen to the livestock industry.

Mr. McLAIN. Yes.

Mr. POAGE. If that is true, shouldn't we make a rather serious effort to reduce the excessive production of the other feed grains, other than commercial corn?

Mr. McLAIN. I would say this, Mr. Poage, in answer to that question, speaking from the viewpoint of a farmer, if you are referring to a proposition wherein you would put allotments on these other feed grains in your area or any other area, I am sure that the rank and file of farmers would not like to see that happen.

They have treasured the very fact that they could shift into these crops and do as they wanted to do for the reasons we pointed out. And we think that it would be a serious mistake to clamp onto all feed grain growers anything that would prevent their freedom to do that.

And, therefore, we would like to see corn move in that direction, rather than try to move these feed grains in the direction of corn.

Mr. POAGE. What do you suggest, then, that we should do?

Mr. McLAIN. I think if this bill is passed as we have proposed it, that at the end of 3 years we will have these crops comparable and there will be some freedom in the production of them.

There won't be this friction between areas. Everybody will be treated alike. And then we will put a floor under them, at a reasonable price, like we have done with feed grains. And a lot of this haggling will be ended if we get that done.

I wish you people would look at it seriously on the basis of that. That is what we are trying to do with this program.

Mr. POAGE. You told us last year that we didn't have time to work out the feed-grain program. You told us that last year, didn't you?

Mr. McLAIN. Do you realize how much work there would be involved to set a total depleting allotment on each farm in this country? And do you realize that we have vegetable people and people that grow fruit and even cranberries and other things that are tied into this thing?

If you want to stir up a hornet's nest this is the right approach.

Mr. POAGE. I am not really discussing the question of whether I will be reelected or not. I realize I have got to get into that at times and so does every other member of this committee. I am, though, trying to find what is the right thing to do, Mr. McLain, how to reconcile your viewpoint, with which I agree, that a great volume of cheap feed grains will be a curse and not a blessing to the country—it will be a curse to the livestock industry, and not a blessing to the livestock industry—it will be a curse to the corn people and not a blessing to the corn people. And I think we agree with that part of it.

Mr. McLAIN. That is right. No disagreement.

Mr. POAGE. I am trying to reconcile that with the view that we should not do anything about it. Why shouldn't we do something about it? Is there no other reason than that I will get in trouble when I go home? Is that the only reason we shouldn't do anything about it?

Mr. McLAIN. Let me say, I certainly did not mean to infer that you were going to get into trouble. I had no such thought—

Mr. POAGE. There are other members, too.

Mr. McLAIN. As you realize, under this soil-bank program, there is an important part of it that has not been covered. Under the conservation reserve program vast amounts of land will be put in the program. It is another pickup in addition to what we are talking about up here.

We are really serious in getting this land out of production and this is the approach we are taking.

Mr. POAGE. Isn't feed grain grown on pretty good land? You told us awhile ago that much of the trouble came from the fact that we in cotton would take land out of cotton and put it into the feed grains. That was not our poorest land. We do not ordinarily plant our cotton on our poorest land.

Mr. McLAIN. I am talking about the diversion that we have had in the past, Mr. Poage.

Mr. POAGE. Diversions were pretty good land; weren't they?

Mr. McLAIN. My experience with farmers is that they took the poorest land out they could.

Mr. POAGE. That is right. But our allotted acres were not the poorest land; were they?

Mr. McLAIN. The acres that came out of production were always the poorest land—practically always.

Mr. POAGE. Poorest that fellow could put in.

Mr. McLAIN. Of course, that is right.

Mr. POAGE. I agree with you on that. But by and large you have had a lot of good land go into these feed grains; haven't you?

Mr. McLAIN. Oh, yes; in some areas.

Mr. POAGE. Else it would not have increased, nearly doubled the number of counties that are getting in the corn area. That is pretty good land in there. You wouldn't have had that.

Mr. McLAIN. That is correct. I am saying one of the major parts of this program is being used to absorb that land. And we have got evidence all over the country that it is going to be accepted.

Mr. POAGE. And you think we are going to reduce the production of grain sorghum next year without any special program?

Mr. McLAIN. I am certain that outside of your irrigated areas we have expanded about as much as we can. And in the irrigated areas you will see some more expansion in your State and other States because farmers know they can do it.

Mr. POAGE. The average on the irrigated acre in my territory is about 10 times as much as the average on the nonirrigated acre was last year, was it not?

Mr. McLAIN. I think there will be a downturn in these feed grains all over the country with this program, if it is given an opportunity.

Mr. POAGE. That is what I wanted to get clear. You think there will be a downturn in the feed grain production?

Mr. McLAIN. A drop, according to Mr. Sorkin here, of 1,600,000 acres in Texas last year alone.

Mr. POAGE. I do not question that in the least. I am sure you have heard about those floods we have suffered with down there.

Mr. McLAIN. All we hear is of drought.

Mr. POAGE. Floods of dust, 9 years of drought. You have heard about that, I believe.

Mr. McLAIN. Yes, sir.

Mr. POAGE. And you have got some ideas what caused that drop in Texas feed-grain acreage, haven't you?

Mr. McLAIN. This is just from the year before. This is the cutback last year.

Mr. POAGE. That is right. You have not congratulated yourself into assuming that the soil bank is responsible for that; have you?

Mr. McLAIN. It helps pick up the income of those individuals.

Mr. POAGE. It helps to whatever extent they can put that land in. And they can only put it into the conservation reserve.

Mr. McLAIN. That is one of the principal parts of this program.

Mr. POAGE. And you give them \$7 or \$8 an acre.

Mr. MORSE. Mr. Chairman, one State down there has already used all of the conservation reserve. They would like to have additional allotments.

Mr. POAGE. Are you going to give it to them?

Mr. MORSE. If we have it available. There will be reallocations.

Mr. McLAIN. We have indications from several States.

Mr. MORSE. We have already plenty of evidence that in your area and in the very area that you are talking about—and rains are coming to a lot of that area—that there is a great interest.

There is already a good deal of land signed up. And one State has used all of the allocated money already.

Mr. POAGE. Just to get it clear the Department's position is that feed grain is going to take care of itself?

Mr. McLAIN. I do not think anything automatically will take care of itself. But we are headed in the right direction. If we can get this thing in proper form we are headed in the right direction.

Mr. POAGE. You think that this will help that?

Mr. McLAIN. Yes, sir, we do.

Mr. POAGE. Just how—how?

Mr. McLAIN. I have indicated several times, Mr. Poage.

Mr. POAGE. I haven't seen how, except to pay a man to take corn out. That is all there is in this bill, in the commercial corn area. How that will reduce the production of feed grains or corn in the noncommercial areas—

Mr. McLAIN. If we do not get this type of legislation, of course, as was pointed out, we will have a terrific—

Mr. POAGE. You will have more corn. We are not arguing that point.

Mr. McLAIN. Remember that these feed grains are all interchangeable, you see.

Mr. POAGE. I understand that. But I asked you if you thought this bill was going to reduce the production of feed grains, meaning, of course, other than commercial corn—

Mr. McLAIN. It will affect the total production of feed grains which includes corn.

Mr. POAGE. Which way? Well, it would reduce corn in the commercial corn area. Let us talk about feed grains as being anything that you feed animals other than corn, and corn outside of the commercial areas.

What do you think this bill will do for feed grains defined that way?

Mr. McLAIN. I am sure in the wheat area and right in your area where we have had a good signup with our program that there isn't going to be the desire to expand any further.

Mr. POAGE. That was not the question at all. I was not talking about now what the result was. What would happen next year, whether we pass the bill or not? I am asking what effect, by the passage of the bill that you suggest or the Andresen bill, would the passage have on the production of feed grains, meaning by "feed grains," feed grains not including corn in the commercial corn area. What effect would it have on the feed grain supply?

Mr. McLAIN. Again I say to you that with the basic crop such as cotton and wheat where they have shifted further land into the soil bank, that income should have a tendency, we feel, at least, not to expand the feed-grain area any further and should contract it.

That taken together with the conservation reserve program should have quite a cutback effect on feed grain.

Mr. POAGE. You are telling us some other legislation will have some effect to cut back. I am asking you what effect you think the passage of the Andresen bill—let us put it down to that—what effect do you think the passage of the Andresen bill would have on the production of feed grain?

Mr. McLAIN. Well, of course, the Andresen bill is different than this.

Mr. POAGE. What effect will there be of the passage of the bill that you have attached here to this statement for the reduction of feed grains?

Mr. McLAIN. We think it will have a tendency to reduce the production.

Mr. POAGE. You think that the passage of this bill, if we pass this bill, that it will produce less feed grains, defined as I have defined them, than we would if we do not pass this bill?

Mr. McLAIN. I think so; yes.

Mr. POAGE. One little item that you have on page 13 that I certainly did not want to leave untouched in the record.

You suggested that the soil bank seems to be getting underway in a generally satisfactory manner.

I want the record to show that I know of no peanutgrowers who feel that the soil bank is getting underway in any satisfactory manner, general, specific, limited, or otherwise, because you just cut them clear out; haven't you?

Mr. McLAIN. I think that was well explained here the other day, Mr. Poage, when we were down before the committee.

Mr. POAGE. I don't think that the explanation was good. However, you had prepared, in the Department, a bill to eliminate the minimum floor of 1,610,000 acres. That was not discussed in the record here 3 weeks ago; was it?

Mr. McLAIN. I think not.

Mr. POAGE. That is a fact; isn't it?

Mr. McLAIN. Someone else will have to answer that. I could get the answer for you. I do not have it.

Mr. POAGE. Will you get that information and insert it in the record, whether or not it is a fact that in the Department a bill was prepared and was laying around there this year?

Mr. McLAIN. I would have to check that, Mr. Poage.

Mr. POAGE. I know you will. I am just asking you to get that and put it in the record.

Mr. McLAIN. We will be happy to do that.

(The information is as follows:)

The Department has given some consideration this year to the advisability of recommending that the minimum allotment provision for peanuts be modified.

Mr. POAGE. And get this additional information as to whether or not I am correct. I wish you then would get this information. The information has come to me that representatives in the Peanut Division of the Department did say to the peanut growers if they could get this bill passed they would reduce the peanut allotment still further.

I know you cannot answer it now, but I want you to tell me whether I am misinformed or not.

Mr. McLAIN. We will certainly give you that information.

(The information to be supplied is as follows:)

Members of the Oils and Peanut Division state that they have discussed the question and implications of modifying the minimum allotment provision for peanuts. However, this was and still is in the discussion stage.

Mr. POAGE. If those things are true—and I believe them to be true—if they are true, then the excuse that you have not got a soil bank program for peanuts because you are afraid that you might not have enough peanuts certainly does not ring true.

It simply means that you wanted a reduction in peanuts without paying for it. And, of course, that is what it looks to me like the Department wants to try to get in every one of these basic crops except corn.

Mr. MORSE. May I speak again to the peanut question?

Mr. POAGE. Yes.

Mr. MORSE. As you handle these allotments from year to year, you take into consideration carryover and prospective carryover. And as I explained when this question was raised before, we have had recent years in which there was a real deficit of peanuts.

With the drought in the Southwest, we have come up with a situation in which, as I understand it, we may not be carrying over too many peanuts. If you get a favorable season next year you may have quite a heavy carryover.

So we feel that for good administration and handling of these programs there must be sufficient flexibility in the handling of acreage allotments, so that as we expanded the acreage for peanuts, certain types of peanuts in recent years, to meet demands, likewise we can adjust these acreage allotments in the light of the carryover and in the light of what is needed to take care of the trade.

This particular year in which the soil bank program is not offered, we do not see the prospect of a heavy carryover of peanuts at the end of this marketing year.

As I say, another year we may face an entirely different situation.

Mr. POAGE. I understand that is what we were told 3 weeks ago. And if I am wrong about the Department having contemplated asking this Congress to give you legislation to wipe out the floor, then I do not know why you want to wipe out the floor.

If you are afraid that you have got a shortage it would seem to me that instead you should raise that floor.

Mr. MORSE. I did not know about the bill to which you are referring, but I address myself to the question you raised, about peanuts being included this year or not—I am talking about a 1-year situation.

If there has been consideration of such a bill, we have got to think about it, and such bill should be considered on what do you need over a period of years, not from year to year.

This decision in regard to offering a program for peanuts in the soil bank is a decision for 1957.

Mr. POAGE. I understand that.

Mr. MORSE. The other bill which we assumed would be a continuing bill if such a bill is under consideration, which I do not know about—

Mr. POAGE. What I am trying to determine is whether your Department is not presently—or at least within the last few weeks, has been—seriously considering an effort to try to reduce the minimum allotment for peanuts for the year 1957 in the very face of the fact that you have given as an excuse for not making any soil bank payments that you are afraid that you will get too few peanuts?

You have got the one hand saying, "While we are afraid of a deficit," on the other hand you are saying, "Cut production still further but for God's sake, do not pay them anything for it. They are just poor peanut growers."

Mr. HILL. I yield.

Mr. HILL. I would like to know personally how you come to the conclusion as to what areas are commercial corn areas?

Mr. McLAIN. How do we arrive at commercial corn areas?

Mr. HILL. Yes.

Mr. McLAIN. It is spelled out in the law itself, Congressman Hill. It is very detailed and complicated. That in brief simply means that when areas that are not in the commercial areas start raising corn to any extent they come into the commercial corn area pretty quickly.

Mr. HILL. The reason I asked that question is that in looking over the statement that you put in, as to the commercial corn areas, I could not believe that some States produced enough corn to be in the program.

Mr. McLAIN. We can quote from the law here if you would like to have it in the record.

Mr. HILL. No, it would be all right to tell us.

Mr. McLAIN. Just the minute they start raising corn of any consequence, they automatically come into the program the following year.

Mr. HILL. Frankly, we have areas cut our way—take certain counties in our district, and we are not in the commercial corn areas.

Mr. McLAIN. Of course, if you expand your irrigation more out there—

Mr. HILL. We have counties in Colorado nearly as large as the New England areas, yet we could not get in the commercial corn area.

Mr. McLAIN. You have a lot of land in Colorado that is irrigated.

Mr. HILL. Yes, sir.

Mr. McLAIN. And if they started raising corn there, they would soon be in the commercial area.

Mr. HILL. Did you know that we had a 200 Bushel Acre Club in Colorado on corn?

Mr. McLAIN. That sounds like Texas.

Mr. HILL. But we have to get in the commercial area. How can I get a county into the commercial area?

Mr. McLAIN. I will read the provision of the law.

Mr. HILL. Do not take time for that. I wanted to ask you about this.

Mr. McLAIN. This is brief. [Reading:]

In determining the commercial corn area in 1957, counties were selected on the basis of (a) those having an average production of corn, excluding corn used for silage, during the preceding ten calendar years, that is, 1947 to 1956, after adjustment for abnormal conditions, of 450 bushels or more per farm and four bushels or more per acre of farmland in the county, and (b) those counties bordering onto the commercial corn-producing area in which there is a similar division likely to produce the above amount of corn in 1957.

This formula indicates all counties included in 1956 area will be included in 1957 plus 54 additional counties.

That is a quotation right out of the law.

Mr. HILL. We could never get in under that.

Mr. McLAIN. Oh, yes, possibly you could. You start raising corn in substantial amounts and you are in.

Mr. HILL. They only grow it in a certain small area; in certain sections.

Mr. McLAIN. We do not need a whole lot more right at the moment.

Mr. HILL. I don't quite get that. You don't need more. You mean you don't need more corn? We do. We pay this high price to Iowa and Nebraska. Our friend here on down the line from Nebraska gets hundreds and hundreds of dollars from our feeders. And we have to haul that corn.

Why should we not grow more and more corn?

Mr. McLAIN. Far be it from me to say that you should not. If you start doing it, you will be in the commercial corn area before you do it very long.

Mr. MARVEY. This is off the record.

(Off the record.)

Mr. HILL. That is all for me.

Mr. HARRISON. I would like to ask a question to clear up a point on the amount of money that was spent last year on corn. Was it 70 percent of the total that was allotted for corn; is that right?

Mr. McLAIN. Seventy percent of the total spent. You see in the law itself, Congressman Harrison, we have maximums that cannot be exceeded, and this is less than that maximum.

The question that Mr. Poage raised, as we understood it, was what percentage of what was paid last year was paid to corn.

That was approximately 70 percent.

Mr. HARRISON. That does not quite answer my question, because if I understood you correctly, there is a maximum that can be paid for corn.

Mr. McLAIN. That is right, 300 million is the maximum.

Mr. HARRISON. That can be paid for corn?

Mr. McLAIN. Yes, but we have prorated that down for each commodity, starting in 1957, because if we can get full participation with each commodity, which we hope to do, then we are only going to use their prorated share of what the law permits us to use for each one of them. That is \$217.5 million for corn.

Mr. HARRISON. Under the law that you have proposed, if you would get full participation, would you have sufficient amount of money to pay for it?

Mr. McLAIN. To get between 4 and 5 million acres, that is what it would take, the \$217 million.

Mr. HARRISON. You would have the money?

Mr. McLAIN. Yes, sir.

Mr. HARRISON. Thank you.

Mr. SIMPSON. I have a few questions, Mr. Chairman.

I have heard it stated before this committee that there was very little politics injected in the committee proceedings. I thought I detected just a little in it yesterday—just a little.

The thing that I can't get clear about it is I am under the impression that all of these different basic commodities are supposed to be handled on an entirely different basis; is that right?

Mr. McLAIN. Each program has different peculiarities written into the law.

Mr. SIMPSON. In other words, corn is handled on one basis; cotton on another; tobacco on another basis. I may be wrong about it but I cannot see why there is talk about a third cut in all others across the board—can you?

Mr. McLAIN. Well, I would rather you would address that to Mr. Poage. I didn't agree with Mr. Poage when he made his statement, but I think maybe he is the one that ought to answer that rather than me.

Mr. SIMPSON. Every basic commodity is handled on a different basis. Why should not each one be continued to be handled on that basis? I think that has been the intent of Congress, because we have different legislation for almost every commodity. Aren't you supporting tobacco on a 90 percent basis?

Mr. McLAIN. That is correct.

Mr. SIMPSON. I voted for 90 percent. I noticed on page 14 of your statement, tobacco was \$1,147 million in value.

You are supporting it at 90 percent. According to some medical magazines, it is causing cancer.

Has cotton received any acreage reserve payments?

Mr. McLAIN. Pardon?

Mr. SIMPSON. Has cotton received any acreage reserve payments?

Mr. McLAIN. Yes, they did. We have them here if you want the amount. We will get it for you.

Mr. SIMPSON. Roughly, how much is cotton acreage payments compared to the acreage reserve payments on corn in 1956?

Mr. BEACH. Cotton received possible payments of \$27 million, against \$179 million for corn.

Mr. SIMPSON. Is that the proper proportion on corn?

Mr. BEACH. No.

Mr. SIMPSON. In its value of dollars?

Mr. BEACH. The allocations for the 1957 program will be more.

Mr. McLAIN. More—to your question.

Mr. BEACH. More to the question, yes. Cotton's allocation is 217.5, the same as corn out of the 750 million.

Mr. SIMPSON. They were offered an acreage reserve program?

Mr. McLAIN. That is right. But they were too far along to comply with it. That was the reason in 1956.

Mr. SIMPSON. You anticipate that for this year?

Mr. McLAIN. Yes.

Mr. SIMPSON. Isn't corn experiencing the same competition in feed grains that cotton has been experiencing for years in synthetic products?

Mr. McLAIN. Yes, sir.

Mr. SIMPSON. On the Andresen bill, I do not think anybody has asked you this question yet. There have been a lot asked, though I do not think this one has been asked.

There are three bills on exhibit 2, H. R. 3011, S. 829, and the so-called administration bill.

Mr. McLAIN. The two bills have base acreage, and Congressman Andresen's bill has an allotment, you see.

Mr. SIMPSON. Every one of them has 51 million acres.

Mr. McLAIN. There is a big difference. The Andresen bill amends the 1938 act, as amended, and that amends the allotment provision.

The S. 829 and our bill amend the Soil Bank Act which is an amendment to the corn base provision.

Mr. SIMPSON. The Andresen bill says 51 million acres of corn in the commercial areas, period, from now on.

Mr. McLAIN. That is right.

Mr. SIMPSON. Do you disagree with that?

Mr. McLAIN. For the short time we think there isn't much difference in the two proposals, but for the long pull we think that the proposal that we have made is much better. It will get away from this wrangling that we continually have between the feed grains and the corn areas.

Mr. SIMPSON. Would you agree to it for the life of the soil bank?

Mr. McLAIN. You mean the Andresen bill?

Mr. SIMPSON. Yes; the 51 million.

Mr. McLAIN. For the life of the soil bank? There isn't material difference in the two bills. Only this basic—well, there are two differences. One is the level of price supports, and the other is that the Andersen bill, after the end of the soil-bank period, would continue allotments.

Mr. SIMPSON. Yes; I understand that.

Mr. McLAIN. The proposition as we now have it?

Mr. SIMPSON. The 51 million acres from now on in the corn bill.

Mr. McLAIN. Yes.

Mr. SIMPSON. Would you agree to it for the life of the soil-bank payments?

Mr. McLAIN. No. Our proposal is that we try to do what ought to be done, what we think ought to be done.

Mr. SIMPSON. Then you disagree with that phase of the bill?

Mr. McLAIN. That is right.

Mr. SIMPSON. I assume you disagree on the support—

Mr. HOEVEN. It is my understanding that you have no objection to setting 51 million acres for 3 years for the life of the soil bank?

Mr. McLAIN. That is what our bill does.

Mr. HOEVEN. That is the life of the Soil Bank Act, 3 years?

Mr. McLAIN. That is right.

Mr. HOEVEN. You would not object to putting the figure at 51 million acres?

Mr. McLAIN. Not if it were done as an amendment to the Soil Bank Act, but if an amendment to the allotment program, then we are right back at the end of 3 years where we are today. And we think that would be unfortunate, because we will have this all to go through again at that time.

Mr. SIMPSON. Congress will be in session every year. They can go over it.

Mr. McLAIN. I am giving you the viewpoint of the Department. This thing has been going on, this controversy between feed grain areas, you know and we would like to get it resolved.

Mr. SIMPSON. The basis for determining the level of price supports the Andresen bill is 75 to 90 percent, the Senate bill, S. 829, is discretionary; and the administration bill, so-called, is 70 percent. Is there any compromise in there?

Mr. McLAIN. We feel in fairness to all feed grains that 70 is the proper figure, because that is where we have been carrying the other feed grains.

Mr. SIMPSON. Then you are putting corn, a basic commodity, on the same basis as a nonbasic?

Mr. McLAIN. You mean so far as minimum is concerned? Remember again, the nonbasics, the feed grains have no minimum under them. It is zero to 90.

Mr. SIMPSON. Here is something I want to ask you that has not been brought up yet that I know of. The Andresen bill calls for this procedure. The PMA committee can allot the farmer 100 acres of corn.

He can take out 15 percent of that 100 acres and put it in the soil bank, get paid for it, or he can take it out of any tillable acres.

Mr. McLAIN. The provisions in all three of these bills on this score are identical the way we read them. The only difference is that in the Andresen bill it is called "allotment" and in the other two bills it is called "base."

Mr. SIMPSON. If the farmer in an Iowa county is allotted 100 acres of corn by the PMA committee, he can take 15 percent of that and get paid for it.

Can he still take it out of any tillable acres rather than reduce the 100 acres of corn?

Mr. McLAIN. He can do it 2 ways. He can do it by reducing the amount of corn that he plants below the base and get paid on the acreage reserve basis, or plant right up to his base and take the 15 acres out of other rotation land.

Mr. SIMPSON. Any tillable acres?

Mr. McLAIN. That is right. It has got to go into the conservation reserve at a lower rate, that is correct.

Mr. SIMPSON. But he cannot put it in the acreage reserve?

Mr. McLAIN. That is right.

Mr. SIMPSON. Does the Andresen bill take it out of the tillable acreage?

Mr. McLAIN. There is no difference in the two bills on this score.

Mr. SIMPSON. You mentioned a carryover on corn, an estimated carryover, of 1,475 million bushels which the Government estimated October 1, 1957.

Mr. McLAIN. Yes. That is correct.

Mr. SIMPSON. You are guessing on that basis that you will have a good 1957 crop?

Mr. McLAIN. No. If we have a poor 1957 crop our carryover a year from October will be way down. This, you see, October 1 estimate is before the normal harvest of corn. So the carryover, whether we raise a crop or not, will probably be in this neighborhood.

Mr. SIMPSON. I understood you to answer Chairman Cooley yesterday that the estimated carryover of 1,475 million bushels was 4 months' supply of corn.

Mr. McLAIN. That is about right.

Mr. SIMPSON. What is your guess or estimate, or do you know, of the noncompliers; in other words, what their carryover will be?

Mr. McLAIN. When you talk about carryover—we are talking about all of the carryover of corn in this country. We are not talking about compliers or noncompliers.

Mr. SIMPSON. Then this 1,475 million bushels is the entire country carryover?

Mr. McLAIN. That is correct.

Mr. SIMPSON. Still only a 4 months' supply of corn?

Mr. McLAIN. That is right. It is the highest on record, though.

Mr. SIMPSON. But if you had a failure in 1957, you would only have 4 months' supply of corn?

Mr. McLAIN. That is correct.

Mr. SIMPSON. That seems to me very small.

Mr. McLAIN. Of course, we have had about a fourth of our country in a drought condition, as Congressman Poage referred to here, for several years. And this last year we still raised a good wheat crop, and also 3.4 billion bushels of corn.

But then anything is possible, as you recognize. We might have a complete failure sometime.

Mr. SIMPSON. Maybe I am confused. This is only 4 months' estimated carryover supply of corn as of next October. Why all of the fuss about this corn, anyway, if that is correct?

Mr. McLAIN. Of course, we are not making any big fuss about it, only there are a lot of people wondering when we are going to turn the thing around and not build more bins and more warehouses to put it in.

We have furnished those up to this time. We feel that it is not wise to go a whole lot further. I think most people——

Mr. SIMPSON. If you had a drought in the Corn Belt area, like in Texas, which goes beyond the proverbial biblical, wouldn't you have only a 4 months' supply of corn to last you until the next crop comes around?

Mr. McLAIN. We always recognize that feed grains and small grains are interchangeable. If you had a complete failure of corn, you would find in many areas that grain sorghums and barley and oats and other things would be there for them.

Mr. SIMPSON. There isn't any substitute for corn, to produce a good steak.

Mr. McLAIN. I agree with that. And certainly I think anyone from Illinois would say that.

Mr. SIMPSON. On page 2 of your statement you have 566 counties in 12 States in 1938, and it is now 894 in 24 States.

Mr. McLAIN. That is right.

Mr. SIMPSON. Is not the increase in noncommercial areas?

Mr. McLAIN. That is right.

Mr. SIMPSON. You still say that they do not comply?

Mr. McLAIN. That is right.

Mr. SIMPSON. In other words, 40 farmers out of 100 always comply with any corn program.

Mr. McLAIN. That has varied by years.

Mr. SIMPSON. You state that 40 percent did?

Mr. McLAIN. Yes.

Mr. SIMPSON. There is still no compulsory compliance about any corn program?

Mr. McLAIN. Under the current legislation—under any of these proposed bills, there is nothing compulsory about any of them.

Mr. SIMPSON. That places corn on an entirely different basis, does it not?

Mr. McLAIN. That is right.

Mr. SIMPSON. But still no compulsion about a corn program?

Mr. McLAIN. That is right.

Mr. SIMPSON. There is not now, so far as any law is concerned?

Mr. McLAIN. That is correct.

Mr. SIMPSON. I would like to ask one more question, Mr. Chairman. Last year you had a support price, I think, for noncompliance of about \$1.25 a bushel.

Mr. McLAIN. Yes.

Mr. SIMPSON. That is the 70 percent?

Mr. McLAIN. Yes.

Mr. SIMPSON. Is there any intention of the Department to continue that program this year if no legislation is passed or even if it is passed?

Mr. McLAIN. This question was raised by Congressman Abernethy yesterday. He raised two questions and I would be glad to answer both of them right now, if I might. I have it in a statement that I want to get into the record here when we conclude.

But the answer to your question as to whether the Secretary would put a floor under corn prices or a support under corn prices—

Mr. SIMPSON. For noncompliance?

Mr. McLAIN. For non compliance, if we don't get this legislation, cannot be determined today or in the next week or two, because—

Mr. SIMPSON. I do not blame you for not answering the question predicated on whether or not the legislation is going to pass, because practically all of this agricultural legislation makes it permissible for the Secretary to do certain things.

Mr. McLAIN. That is right.

Mr. SIMPSON. But last year you did support corn at \$1.25 a bushel for those in noncompliance.

Mr. McLAIN. That is right. That is right.

Mr. SIMPSON. Is it still permissible to be done this year?

Mr. McLAIN. It is permissible to be done this year.

Mr. SIMPSON. On page 14 of your paper you state:

We have no wish to see it removed from the list of basic crops.

Mr. McLAIN. That is correct.

Mr. SIMPSON. That is still the Department's attitude—they still do not desire to remove corn as a basic?

Mr. McLAIN. We think—and we have shown these figures here prove to you that it is a superbasic commodity insofar as importance in dollars is concerned.

Mr. SIMPSON. Your statement is about superbasic.

Mr. McLAIN. We have shown you the figures as to why we have figured that it is.

Mr. SIMPSON. The thing that worries me—I am wondering about this—nothing worries me—the thing that sort of worries me is whether the corn in a commercial area will be supplanted by the feed grains, just exactly like cotton is being supplanted by synthetics.

Mr. McLAIN. That is what has been going on. And our proposal, we think, will eliminate that if it is ever given a chance to be tried.

Mr. POAGE. Mr. Abernethy.

Mr. ABERNETHY. Mr. McLain, these may be academic questions, but I have two preliminary questions.

Generally, what is the Department's regard of the corn situation at this time?

Mr. McLAIN. I missed the one word.

Mr. ABERNETHY. What is the Department's regard of the corn situation at this time? Is it good or is it bad?

Mr. McLAIN. The very fact that we have carryover stocks, Congressman, at an alltime high gives me and a lot of us a lot of concern and I am sure that any of you who have traveled through the Corn Belt area and have seen our field bins in which we have millions of bushels, know they give a lot of people concern.

Mr. ABERNETHY. I think that answers my question.

It is at an alltime high. So is it fair to say that the corn farmer is now in more serious condition than he has been at any time since these programs have been in effect?

Mr. McLAIN. Well, of course, you would have to check his economic condition.

Mr. ABERNETHY. I am thinking of stockwise, the stocks that are on hand.

Mr. McLAIN. If you are talking stockwise, obviously the carryover is there. And stockwise whether he owns it or whether we own it, it affects the price that eventually he will get for his corn.

Mr. ABERNETHY. What was the situation last year at this time as compared with this year?

Mr. McLAIN. The carryover was about 300 million bushels October, less than it will be this next October.

Mr. ABERNETHY. All right. Was that at that time the alltime high—

Mr. McLAIN. I think it was; yes.

Mr. ABERNETHY. —in 1956, a year ago.

Mr. McLAIN. We would have to check that on the record. But we will get it in the record. It was very near, if it was not there, Congressman Abernethy.

Mr. ABERNETHY. If it was not it was very near?

Mr. BEACH. It was.

Mr. McLAIN. It was, Mr. Beach says.

(The information is as follows:)

The carryover on October 1, 1956, was 1,166 million bushels of corn. This was the highest October 1 carryover on record.

Mr. ABERNETHY. Last year it is fair to say, I think, from what you have said, that the status of the corn farmer was bad, and the surplus at that time was a record high, and this year it is even worse.

Mr. McLAIN. Could I say just one word? The reason it is that way, of course, is because again, as I pointed out in my testimony, the fact that people in Texas and many other places are producing and using other feed grains.

Mr. ABERNETHY. I am going to get to that in just a minute.

Mr. McLAIN. Yes.

Mr. ABERNETHY. You fixed the support price for 1956 corn originally at 82 percent, didn't you, or thereabouts—81 percent?

Mr. McLAIN. It was in that neighborhood, yes.

Mr. ABERNETHY. Then after we had the hassle here last year, you raised it.

Mr. McLAIN. Wheat and several commodities.

Mr. ABERNETHY. You raised corn.

Mr. McLAIN. We raised it to \$1.50.

Mr. ABERNETHY. And you raised it to a level of 86.2 percent of parity?

Mr. McLAIN. That is approximately right.

Mr. ABERNETHY. Now, you did that in spite of the fact that at that very time the corn situation was worse than it had been in all of its history, didn't you?

Mr. McLAIN. Well, as far as supply is concerned, I think that is correct.

Mr. ABERNETHY. That is correct?

Mr. McLAIN. Yes.

Mr. ABERNETHY. That was the trouble. That is what we are talking about, the supply.

And furthermore, after the hassle was over, you also announced a support price on corn of \$1.25 for those who were in noncompliance?

Mr. McLAIN. That is right.

Mr. ABERNETHY. That is the first time that you had ever done that, too, wasn't it?

Mr. McLAIN. That is correct.

Mr. ABERNETHY. The philosophy of the Department is that a lower support price lowers production. How did you justify those two actions, after you had previously announced supports at about 81 percent and on compliance acreage only?

Mr. McLAIN. Just one justification for it, as the President points out in the action that was taken. Not only the Corn Belt farmers, but the farmers all over had expected some sound legislation.

When it looked like we were not going to have that legislation, or it was going to be too late, this action was taken as a temporary means and it was to alleviate what looked like a bad situation.

Mr. ABERNETHY. But you did get the legislation?

Mr. McLAIN. Yes, sir.

Mr. ABERNETHY. And you did not wait until the opportunity had expired to get it, did you. You didn't wait?

Mr. McLAIN. Well—

Mr. ABERNETHY. You were going to get the legislation.

Mr. McLAIN. We didn't know whether we were going to get it or not.

Mr. ABERNETHY. Well, I know you didn't know, but you were pretty well satisfied that you were.

Mr. McLAIN. It was too late to do any good in cutting back production.

Mr. ABERNETHY. Oh, no, no; I won't agree to that. I will get to that in a second.

You could have waited until it had been determined definitely whether or not you were going to get the legislation, as to whether or not it would be advisable to increase the support price, could you not?

Mr. McLAIN. Of course, we followed the philosophy in the Department—and this is in the law—that a farmer is entitled to know what his support rate is going to be before he plants.

Mr. ABERNETHY. That is right. But last year you waited until the 17th day of April to announce it on cotton, long after planting time in south Texas and other deep south sections.

Mr. McLAIN. It was in April.

Mr. ABERNETHY. And long after you had announced supports on corn?

Mr. McLAIN. Yes.

Mr. ABERNETHY. Considerably after, was it not?

Mr. McLAIN. I would have to check the figures, but I think that is approximately correct.

Mr. ABERNETHY. You could have, at least, waited under the law until a later date to determine whether or not you would have legislation.

Do you say, under the philosophy of the Department, that the support level which you fixed in the veto message, No. 1, increasing it from 81 to 86.2, and No. 2, fixing supports at \$1.25 on noncompliance farmers, further aggravated the surplus situation?

Mr. McLAIN. I will answer that this way. We have always said in the Department—and I think the Congress recognizes—if you raise the support price, you stimulate the desire to produce. I have been a producer. I know at first hand that is what you do. We have always said that, conversely, if you reduce the support, you ought to cut back the production.

Mr. ABERNETHY. All right.

Mr. McLAIN. We recognize——

Mr. ABERNETHY. How did it affect——

Mr. McLAIN. I think the record ought to show that these changes were not only made for corn, they were made for other commodities and on the same basis.

Mr. ABERNETHY. And all were cut?

Mr. McLAIN. Well, cotton——

Mr. ABERNETHY. It was left at the bottom of the totem pole.

Mr. McLAIN. It was left at about 82½ percent of parity, wasn't it?

Mr. ABERNETHY. Yes, that is right. And I proposed an amendment to give it something comparable to the other, that is true; and the Department approved it.

Mr. McLAIN. We set it at 82½.

Mr. ABERNETHY. I didn't intend to mention that. The only reason I did is because you brought in the other commodity. That is why I mentioned it.

Mr. McLAIN. All right.

Mr. ABERNETHY. So, Mr. McLain, the Department must admit, must it not, that the unfortunate situation which the corn farmers now find themselves in, which you say is the worst in all history, was developed as the result of exactly what you did last year?

Mr. McLAIN. No.

Mr. ABERNETHY. You don't—what did it then?

Mr. McLAIN. You go back and look at the carryover stock figures for the last 4 or 5 years. This has been building up progressively, primarily because of diversion out of basic commodities.

If that had not happened I am sure we would not be asking for this consideration.

Mr. ABERNETHY. But it did offer an attractive price, did it not?

Mr. McLAIN. That is correct.

Mr. ABERNETHY. Didn't that encourage the very thing that you are talking about right now—more production outside the commercial corn belt?

Mr. McLAIN. Of course, the dollar and a quarter is the thing that applied to the most people. That is only 70 percent of parity. And we thought that was fair and reasonable, because that is where we had feed grains.

Mr. ABERNETHY. It may have been, but did it not encourage the very thing that you have just complained about, the production of more corn outside of the commercial area?

Mr. McLAIN. Outside of the commercial areas?

Mr. ABERNETHY. That is just what you said.

Mr. McLAIN. I think the effect of an increased price always does that.

Mr. ABERNETHY. So I come back, the action of the Department last year in increasing the support price encouraged the production of more corn which contributed to and resulted in the corn farmers being in the worst shape they have ever been in?

Mr. McLAIN. I would not say that the corn farmer is in the worst shape he was ever in. I want the record straight.

Mr. ABERNETHY. You said from the standpoint of supply?

Mr. McLAIN. From the standpoint of supply, but that is a vast difference. Of course, there is a vast difference, because the income of corn farmers and all farmers isn't always determined by the supply of these commodities we have. There are many other things, including the value that he gets out of his livestock and dairy products and other things.

Mr. ABERNETHY. All right.

The Department is now asking this committee—and I am not saying I am not going to vote for it—do not misunderstand me—but the Department is now asking this committee to do something which farmers rejected in the referendum, the only difference being that you now propose a floor of 70 percent of parity.

Why didn't you give them that when you submitted the question in the referendum? Why didn't you make the announcement before the referendum?

Mr. McLAIN. Well, so far as I can recall, Congressman Abernethy, if it had been, I do not think there was any serious discussion about it at that time. We had the criteria in the legislation. All of the evidence current as to the Secretary of Agriculture is that he has not supported the feed grains on which there is no control on acreage at less than 70 percent. And we could not see why there should be any concern about it.

Mr. ABERNETHY. I know, but it was well known to you that the argument had been advanced in the Corn Belt, in discussing how they should vote in the referendum, that the Secretary might fix it at a considerably lower level. You knew that.

Mr. McLAIN. In a few States that is correct, yes.

Mr. ABERNETHY. And you also knew, or rather you stated yesterday, that it was what caused the farmers to reject it.

Mr. McLAIN. No. I said it was one of the factors.

Mr. ABERNETHY. One of the factors.

Mr. McLAIN. Yes.

Mr. ABERNETHY. Knowing that that was one of the factors, why didn't you correct it as you are attempting to do now?

Mr. McLAIN. After the legislation has passed?

Mr. ABERNETHY. No, no.

Mr. McLAIN. This is ahead of the referendum. The legislation was passed. We were very careful, Congressman Abernethy, to tell the farmers in advance of the vote of the referendum what in 1957 their support rate would be, either under the allotment program or under the base acreage approach.

Mr. ABERNETHY. But you didn't give them enough?

Mr. McLAIN. Yes; we announced the base acreage program support level.

Mr. ABERNETHY. As what?

Mr. McLAIN. At \$1.31. They knew that when they voted.

Mr. JOHNSON. For 1 year?

Mr. McLAIN. For 1 year.

Mr. ABERNETHY. For 1 year, but not for the subsequent years.

Mr. McLAIN. No, because it might have warranted a higher level in the subsequent years.

Mr. ABERNETHY. This legislation being in substance what you submitted to them, and what they rejected, aren't we being put in a rather peculiar position at your request of legislatively constructing a program which farmers have said they do not want?

Mr. McLAIN. Of course, my answer to that, first of all, is that 61 percent of those voting indicated they didn't want it.

And, in the second place, we do have the 70 percent written in, which makes an entirely different proposition, in our belief.

Mr. ABERNETHY. Do you advocate that we amend the law so that it might henceforth state that if 61 percent vote for a program it shall be put into effect?

Or do you think that the present formula requiring two-thirds is about right?

Mr. McLAIN. Of course, our initial position in the Department at the time this was discussed was that it be a majority vote. This is an entirely different proposition than the marketing quota vote.

I think you would recognize it. We are not putting any compulsion in it. That is irrelevant because the law was passed on the other bans.

To answer your question, we see no reason for being concerned about that at the moment, because there is no opportunity here for future referendums on this.

We would say, though, for the committee that we understand that you are going to be reviewing cotton legislation which is to be introduced by the cotton people, in this direction—that you keep the vote on a basis of the way you people are elected.

Mr. ABERNETHY. I would not vote for any such thing as that. That may be beside the point for this discussion.

Is it your feeling that if you are given this authority that it will contribute, I won't say "solve," because I do not think any of us ever know—is it your opinion that it will contribute to a solution of the problem?

Mr. McLAIN. We think that very sincerely.

Mr. ABERNETHY. And in solving the problem that means that corn production will come within the demand?

Mr. McLAIN. It isn't going to do it overnight.

Mr. ABERNETHY. I understand that. But, anyhow, there will be less corn produced and a lesser surplus then the demand will take care of the price and keep it at a good economic level?

Mr. McLAIN. It will have a lifting effect on all feed grains all over this country—don't forget that.

Mr. ABERNETHY. All right.

Now, when you do that, it is going to encourage the very thing that you have complained about.

Mr. McLAIN. Well, of course—

Mr. ABERNETHY. Wait—wait until I get through. It will encourage the very thing that you complained about; that is, the planting of more corn and more feed grains on these diverted acres in the non-commercial corn areas; isn't that right?

Mr. McLAIN. Only to the extent that the market price gets up there. And if the market will absorb it at a fair price, I think everybody is praying for ways to find something to put these acres into.

And certainly, we all ought to be for anything that will permit that.

Mr. ABERNETHY. Do you agree with the statement, which I think you at one time advanced, that acreage reduction in cotton in America has encouraged an acreage increase in foreign countries?

Mr. McLAIN. Say that again, please.

Mr. ABERNETHY. Have you, or some of your subordinates, or superiors in the Department, not said—you stated it right recently, the material is right on my desk now—that the shrinking of cotton acres in America has encouraged the production, the planting of more acres to cotton in foreign countries?

Mr. McLAIN. That is correct.

Mr. ABERNETHY. Right there—so the shrinking of acres in the Corn Belt, in the commercial corn belt, will likewise have a similar effect and result in an increase of corn acreage in the noncommercial areas?

Mr. McLAIN. Only to the extent that the price advances. And I hope we never get in a position here where price advances, that we are going to try to hold back production, if it gets up to where it is profitable to produce, because that is what farmers like to do.

Mr. ABERNETHY. I am not trying to trap you. I am just trying to arrive at what appears to be the situation. I am certainly not trying to trap you.

But I have convictions about this. I think you will agree with me that, No. 1, the action last year—I am not riding you for it, I am not criticizing you for it, just stating the facts—No. 1, that if this program which you advance now solves the production of corn in the non-commercial area it will increase production in the noncommercial corn areas, and thus it will solve nothing at all.

Mr. McLAIN. I just cannot agree with that.

Mr. ABERNETHY. You do not agree with that?

Mr. McLAIN. Not the latter part.

Mr. ABERNETHY. Then you are saying they won't put any more acres in corn in the noncommercial area?

Mr. McLAIN. I say with the soil bank in that area, for instance, on wheat again, where we have shifted with fall seeded wheat 10 or 11 million acres into contract, to compensate those people for it, with the

conservation program coming in, in those areas, that will be a holdback effect on the production in those areas.

Certainly, if grain sorghums in Congressman Poage's area get up to \$3 a hundredweight, they will start raising that and we ought to let them.

Mr. ABERNATHY. With the soil bank in effect, Mr. Secretary, farmers will be encouraged to plant corn and grain. That farmer is sitting there with a complete operating farming unit. He is going to put it to work. He is going to plant something.

He may take all of his cotton out. But he is not going to let that equipment sit out and rust. He will be doing something with it.

Mr. McLAIN. He will set these acres aside.

Mr. ABERNETHY. That is true. He will set these cotton acres aside.

Mr. McLAIN. This is the first time that he has done that.

Mr. ABERNETHY. He will set them aside, these cotton acres. What will he do with those other acres?

He does not have but about, in my section, 10 or 12 percent of his land in cotton.

Mr. McLAIN. Of course, this is a very real problem of finding something for him to put those acres in. In many areas much of that land ought to go into the conservation reserve for the time being.

Mr. POAGE. Will you yield right there?

Mr. ABERNETHY. First, just this observation. You have stated all yesterday and today that one of the things that aggravated this situation was the increased planting of corn in the noncommercial areas.

Mr. McLAIN. Feed grains, particularly.

Mr. ABERNETHY. Now you are going to improve the economic situation of the farmer in the commercial area by bringing production in line with demand which will firm up the price. So, I do not see how you can avoid agreeing that it will accelerate and encourage the planting of more corn in the noncommercial area.

So if you did just what Mr. Poage is talking about, if you offered to them the same amount for that soil-bank payment that you are offering to the commercial corn man, if you offer the same amount, the same percentage of his land, you would eliminate just exactly what we are talking about.

I yield to the gentleman.

Mr. POAGE. I just wanted to point out that when the gentleman suggests that he would be paying these people who are in feed grains and noncommercial corn, they would have an opportunity to go into the soil bank, that is correct, at about \$7 or \$8 an acre. We only get \$7 or \$8 an acre for the conservation reserve, and that is all we could put this land in. Whereas the man who puts corn into his acreage reserve got \$43 an acre last year and may well get more this year.

Mr. JENNINGS. In the commercial area only?

Mr. POAGE. In the commercial area. He is the only man that was able to put any in.

The gentleman from Mississippi has the floor.

Mr. ALBERT. Is it your intention to go into executive session this morning?

(Discussion off the record.)

Mr. ABERNETHY. In view of the rule of the committee I now ask unanimous consent that at the conclusion of testimony this morning that the committee—that is, if we do not reach the bill this morning—

I ask unanimous consent that the rules notwithstanding, the bill be considered tomorrow.

Mr. POAGE. We can consider it tomorrow.

Mr. ABERNETHY. You would not have the 3 days.

Mr. POAGE. Yes; we will have it tomorrow. The only question was whether we could save one day by handling it today.

(Discussion off the record.)

Mr. McLAIN. I have one observation I want to make to you in reply to the question you raised yesterday.

You raised the question yesterday at what level we would support corn in 1957, if our proposal were to become law.

We feel this way about it. I felt this way yesterday, but I wanted to check with the Secretary to be sure that he concurred:

That we should do precisely what we said we would do before the referendum, and support it at the rate that we indicated we would before the referendum which would be \$1.31 a bushel for 1957.

Mr. ABERNETHY. How does that figure out?

Mr. McLAIN. It figures out 74 percent of parity.

Mr. ABERNETHY. That clears up something.

I cannot agree with your argument that simply because some of these other crops have a minimum they have been given preferential treatment. The fact is that the corn planting will be cut only about 11 percent, wheat has already been cut about 30, and cotton about 35 percent. So, I just do not see any preferential treatment that has been given them as a result.

That has been hashed and rehashed. I will not go further with it. I just wanted my views in the record on it.

Now, with this I am through.

This situation developed after the referendum on December 11.

Mr. McLAIN. That is correct.

Mr. ABERNETHY. That is right?

Mr. McLAIN. Yes.

Mr. ABERNETHY. When did the Department first know that it would submit this three-paragraph bill to the committee?

Mr. McLAIN. Soon after the President brought forward his budget message.

Mr. ABERNETHY. What date was that?

Mr. McLAIN. I would have to check that. We will get it and put it in the record.

Mr. ABERNETHY. Two weeks ago?

Mr. McLAIN. About around the 18th.

Mr. ABERNETHY. Around the 18th?

Mr. McLAIN. Yes.

Mr. ABERNETHY. All right.

Now, you had the bill ready before then?

Mr. McLAIN. Well, we had reviewed several different proposals that we thought might have a chance of being passed.

Mr. ABERNETHY. When did you come to the conclusion that this was the bill that you were going to submit?

Mr. McLAIN. It was around January 18.

Mr. ABERNETHY. Around January 18?

Mr. McLAIN. Yes.

Mr. ABERNETHY. So it required the Department from the 11th of December until January 18, which is 38 days, to decide what program it would propose. That is right, isn't it?

Mr. McLAIN. No; I don't believe it is quite right.

Mr. ABERNETHY. What is wrong with it?

Mr. McLAIN. Until we had had an opportunity after the referendum to get the reaction of farm organization and others that were concerned about this, we were not in a position until around the first of the year, at least, to know what ought to be done.

Mr. ABERNETHY. That same situation applies to this committee, does it not?

Mr. McLAIN. That is correct.

Mr. ABERNETHY. So it took you 38 days. And I am not criticizing you, Mr. McLain—it required the Department 38 days—it required 38 days, I should say, for the Department to decide what it would do, after counseling with people and experts and farmers and farm organizations and within the councils of the Department, to make that determination—it took 38 days?

Mr. McLAIN. Well, if you count from the time the referendum was held up until the time the President's budget message came up, I guess that is about right.

Mr. ABERNETHY. It was announced the next day?

Mr. McLAIN. Yes.

Mr. ABERNETHY. But you did not really submit it to the committee until—well, you say, Monday—we didn't get it until yesterday which was Wednesday the 30th of January.

Mr. McLAIN. It came up Monday.

Mr. ABERNETHY. It came up Monday?

Mr. McLAIN. Yes.

Mr. ABERNETHY. I do not think anybody on this committee knew anything about it, though, until yesterday. That was the first time we had seen it, wasn't it?

Mr. McLAIN. Of course, we transmitted it in the regular fashion.

Mr. ABERNETHY. So there was 30 days and 10 days, which is 40 days. You come to us, Mr. McLain, and you say, "Now, we have taken 40 days. It took 40 days for us to get this to you. And time is of the essence. And we do not want any delays like we had last year. We want speed. We want it to be hurried along."

How much time do you think we ought to have?

Mr. McLAIN. Well, of course, it is not for me to say how much you ought to have. We in sincerity feel that this committee wants to decide this thing one way or the other as rapidly as it can.

Mr. ABERNETHY. I do not want to be put in the position that the Department tried to put us in last year. I want an answer from you, if you can give me one, how much time do you think the Congress ought to have?

We are the ones who have to pass this thing. You only have to make a recommendation. It took you 40 days just to recommend.

After what length of time do you think we can be charged with delay, unreasonable delay?

Mr. McLAIN. It would not be for me to decide when anybody was going to charge the Congress with delay.

Mr. ABERNETHY. You charged us with delay last year.

Mr. McLAIN. Let me answer it this way: I think in order to be of any value to the Corn Belt farmer and the feed grain farmer in the noncommercial area he will be interested to have it out sometime—your deadline is March 8 and, certainly, it ought to be 2 or 3 weeks ahead of that.

Mr. ABERNETHY. It ought to be 21 days ahead of that—that would be when?

Mr. McLAIN. Well, February 15.

Mr. ABERNETHY. So we have 2 weeks and 3 days to put this thing through all of the complicated machinery on Capitol Hill and the White House.

Just a minute, Mr. Secretary, and I will ask for something of you, Mr. Morse.

Mr. MORSE. May I—

Mr. ABERNETHY. Just a minute, Mr. Morse. I am addressing Mr. McLain. Do you think it is fair after you took 40 days yourself to decide what you would recommend, then bring your bill to us and urge us to get it out right now. You have given us only 17 or 18 days in which to do so after you have taken 40 days and then tell us—the same as tell us—that you will let the country know that we have delayed it if we do not get it out in that length of time?

I do not think it is fair. I have a high regard for you. And I know you know I do. Even so, I do not think the Department is treating this committee fairly.

Mr. McLAIN. On this February 15th, let me put it this way: I am sure that our operating people, regardless of when this is done, are going to try to get it to the farmers that are affected as rapidly as they can.

Certainly, no one in the Department ought to tell you how quickly this must be done.

The only other thing I would like to say is, I think that this interval between December 11 and the time Congress got here, it is a little unfair to bring that into the picture.

I think after the Congress got here, after the President made his statement, that we ought to have gotten it up as quickly as we could. And frankly, we did try to, because we are just as interested—

Mr. ABERNETHY. I know.

Mr. McLAIN. In getting this thing done as anybody can be.

Mr. ABERNETHY. The emergency is 1957, isn't it? That is the emergency?

Mr. McLAIN. That is right.

Mr. ABERNETHY. It isn't 1958 and it isn't 1959. The emergency is for 1957—now—the present. That is right, isn't it?

Mr. McLAIN. Yes.

Mr. ABERNETHY. Why then, do you ask for legislation for 1958 and 1959 and classify it as emergency legislation?

Mr. McLAIN. Well, that would have been one approach. But we thought that this was the right approach to get the thing resolved.

Mr. ABERNETHY. You can see how involved this has become. How the other farm people feel about this situation. Maybe they haven't been discriminated against. And maybe they are not being discriminated against by this program. But they sure do feel that they are. And I think you know they feel that they are.

So, I think under the circumstances, you should confine your request to the emergency, 1957. You put yourself in the peculiar position of seeking legislation through 1959 under the guise of an emergency.

That is all.

Mr. ABBITT. A parliamentary inquiry. I understand that it is agreed to go into executive session. It appears to me that a number of the members want to ask questions. And if we keep on asking questions right now we will never get to the bill before 12 o'clock.

I wonder if we could not dismiss the witness right now and have an opportunity to have an executive session.

Mr. POAGE. I think that will be the best thing, anyhow. Obviously, we are not going to complete the testimony, whether we go into executive session or not.

Mr. MORSE. I would like just to make a brief statement bearing on the discussion that the Congressman from Mississippi gave.

This question, of course, has been very much one of concern to farmers. We assumed that the members of this committee, knowing that 61-plus percent of the farmers had voted for this, and still the referendum did not carry. We also assumed that this committee likewise was aware of this situation and was studying it and working with farmers on this problem at the same time that we have been working with it.

At the same time, we have felt that farmers themselves should have the opportunity to discuss this quite thoroughly. We thought it best to get their judgment as a basis for shaping up our judgment prior to coming before the committee.

I want to join Secretary McLain here in saying that we had hoped that this would facilitate the work of the committee, that you very quickly could get the judgment of the farm organizations, as well as our judgment, and analyze what was involved.

Mr. SIMPSON. Because of the time element involved, I move that we go into executive session.

Mr. ABBITT. I second that.

Mr. POAGE. Does the committee want to meet this afternoon?

Mr. HOEVEN. There is some legislation on the floor, on small business.

Mr. POAGE. We had better adjourn then until 10 o'clock tomorrow morning at which time we will try to conclude with Mr. McLain.

Those in favor of going into executive session will say "aye." Opposed "no."

The motion is carried.

(Whereupon, at 11:50 a. m., the committee adjourned, to reconvene at 10 a. m., Friday, February 1, 1957.)

ACREAGE RESERVE ALLOTMENT FOR CORN

FRIDAY, FEBRUARY 1, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to notice, at 10:05 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Mr. POAGE (presiding). The committee will please come to order.

We have with us Mr. Shuman, the president of the American Farm Bureau Federation, this morning and we are delighted to have you, Mr. Shuman.

We will be very happy to hear your description of the corn problem and all of the related problems.

STATEMENT OF CHARLES B. SHUMAN, PRESIDENT; ACCOMPANIED BY JOHN C. LYNN, LEGISLATIVE DIRECTOR, AND FRANK K. WOOLLEY, LEGISLATIVE COUNSEL, AMERICAN FARM BUREAU FEDERATION

Mr. SHUMAN. Thank you, Mr. Chairman.

We have the following statement:

The American Farm Bureau Federation appreciates this opportunity to present our recommendations on the problems facing corn producers. We urge that Congress quickly pass a simple bill enabling corn farmers to participate in the kind of a program which was favored by the large majority of those voting last fall.

The early passage of a simple bill designed to meet the problems of corn producers is urgent because plans for spring planting are being made and farmers must know as soon as possible what type of corn program will be in effect in 1957.

The facts are that we have a supply of feed grains which is too large for a healthy livestock economy; surplus feed means surplus livestock and livestock products; surplus livestock and livestock products mean lower income to the majority of farmers; therefore, in order to insure a more healthy market situation for livestock and livestock products and help the majority of the farmers throughout the country, we need to do everything we reasonably can to cut down on feed surpluses.

Our recommendations with respect to the Soil Bank Act of 1956 were predicated on a sincere desire to try to reduce surplus production. Congress declared a similar intent. Farmers want the Soil Bank Act to be given a fair trial.

Most corn farmers will stay out of the soil-bank program unless it is changed from what it now provides. We have every reason to

believe most corn farmers will participate, if the program the majority voted for is put into effect.

For the past few years commercial area corn farmers have been planting approximately 56 million acres of corn. Under the formula in the law, the 1957 corn allotment had to be set at $37\frac{1}{3}$ million acres. This represents a cut of approximately $33\frac{1}{3}$ percent.

Thus, farmers cannot begin to participate in the soil bank until after they have cut their corn acreage one-third. Then they begin to participate at an average rate of approximately \$43 for each additional acre cut below their allotment.

Since participation in such a program would be unprofitable to farmers except under the most unusual circumstances, it is fair to say that, as the law now stands, most corn farmers will ignore their allotments with the result that very little acreage will be taken out of production.

With these facts in mind, the present acreage allotment program would make the surplus situation worse. Farmers will find it hard to understand why such a situation has been permitted to come about when the majority voted for a program which would help solve the problem.

When the voting delegates at the last annual meeting of the American Farm Bureau Federation received word that 61.5 percent of the farmers voting favored the discontinuing of acreage allotments, and substituting therefor a soil-bank program, they thoroughly discussed the question and went on record as follows:

In the recent corn referendum, the soil bank corn base acreage program was favored by more than 60 percent of the farmers voting. In spite of this large majority, this program lost, the minority prevailed and reestablished the discredited corn acreage allotment program. Years of experience with the allotment program have demonstrated its inadequacy to meet the increasingly serious problem facing producers of corn, other feed grains, and livestock.

We urge the board of directors of the American Farm Bureau Federation to develop and seek enactment of legislation providing for the type of corn program favored by the large majority of farmers affected.

We favor the principles of H. R. 3935 introduced by Mr. Arends, of Illinois. This bill carries out the desires of the majority of corn farmers who voted in the referendum last December, as well as the wishes expressed by the voting delegates of the member State farm bureaus.

It provides for (1) discontinuing acreage allotments for corn (2) a 51 million acre corn base for the purpose of participating in the soil bank acreage reserve program (3) price supports at a level which will assist farmers in marketing their corn, but will not encourage the uneconomic production of corn, and (4) an acreage equal to 15 percent of the farm corn base acreage to be put into the soil bank as a condition of eligibility for price support on corn. This acreage may be put into either the acreage reserve or the conservation reserve or a combination of the two programs.

The Agricultural Act of 1956 was unique in that for the first time farmers were given a real opportunity to choose between two courses of action; namely, whether they wanted more acreage and a lower level of price support or whether they wanted to continue with a low acreage

and a higher level of price support. It is significant that corn farmers voted almost 2 to 1 for lower price supports and more acreage.

As you know, under present law the marketing quota referendums on wheat and other commodities for which referendums are held, producers are given the option of choosing between (1) price supports at 75 to 90 percent of parity with acreage allotments and marketing quotas and (2) support at 50 percent of parity with the same acreage allotments.

This has the effect of encouraging a "yes" vote on marketing quotas. We were pleased that the law in 1956 offered corn producers a realistic choice between two alternative programs.

It is unfortunate, however, that the Congress required a two-thirds vote to eliminate allotments, whereas a vote by only one-third of the producers can reject quotas with respect to wheat, cotton, peanuts, rice, and tobacco.

The provision that two-thirds of corn farmers had to approve doing away with allotments is contrary to any other law on the statute books affecting agriculture in that it permits a minority of farmers voting to impose a restrictive program on the majority against the majority's will.

H. R. 3935 simply recognizes that since 61.5 percent of the corn farmers voting favored the soil bank corn base acreage approach, this program should be put into effect. Attached hereto is a list of States in the commercial corn area showing how the corn farmers voted in the referendum.

We are sure that the Congress is aware that the acreages taken out of allotment crops are being put into the production of feed grains and other crops, many of which are in surplus supply.

For example, during the 2 years 1954-55 the increased production of feed grains on diverted acres is estimated to be the equivalent of 800 million bushels of corn.

The Congress has stated, as a matter of policy, on a number of different occasions, that the producers have a responsibility for keeping supplies in line with demand. However, to date, such legislative action as has been taken has been ineffectual in accomplishing this objective.

We had hoped that this problem would be dealt with when the Soil Bank Act was passed in 1956. At that time we recommended:

That in order to qualify for price supports, producers be required to put an acreage of soil-depleting cropland—the amount to be determined by a percentage of the acreage currently in supported crops—in the "soil bank," provided that this shall not apply to 1956 crops or to crops for which marketing quotas are in effect as a result of referendums held prior to enactment of the legislation proposed herein.

The only crop Congress required to be put in the soil bank in order to be eligible for price support was corn.

Now that Congress has given the corn farmers an opportunity to speak and over 60 percent of those voting have expressed a preference for the kind of a program that will make a real contribution to cutting down on supplies, we hope that the Congress will speedily enact the kind of legislation that will carry out the expressed wishes of the corn farmers.

There seems to be some feeling that the acreage reserve program with respect to corn is ineffectual. In this connection it should be pointed out that many responsible leaders recognized that the Soil Bank Act of 1956 was passed too late to be effective in 1956.

As a matter of fact, the AFBF pointed out on April 5, 1956, that—

It is too late for a soil bank plan to be of any benefit to farmers this year.

For all practical purposes, at that time it was too late to change spring planting plans. Most of the plowing, fertilizing, and preplanting operations were nearing completion in many sections of the country and farmers had a considerable investment in those operations.

We also pointed out that even after legislation was adopted it would require a period of at least 60 days to work out the administrative details, inform farmers, and put the program into operation.

The final Soil Bank Act of 1956 nevertheless directed that a program be inaugurated in 1956. Under these circumstances, we have considered that the 1956 experience with corn is not of much value in judging how effective such a program can be made to be in solving the surplus feed grain problem.

We urge that the Congress recognize the need for prompt action with respect to the 1957 corn program. We also urge that the Congress keep the program on a basis of producer responsibility that will make a real contribution to a reduction in production.

While the soil bank may not be the complete answer to our surplus problem, the plan deserves a fair trial. It can only be given a fair trial by a program containing the kind of provisions which meet with the approval of farmers and which is available to them sufficiently in advance of planting time that it can be of some effect on their planting operations.

We have attached to the statement, first, the table on the vote on the corn referendum by States.

And then table 2 gives the statistics on corn acreage yield and production in and outside of the commercial area from 1953 through 1957.

It shows that the number of counties that are listed in the commercial area go up rather steadily.

The yield per acre has gone up in both areas. And the total yield, of course, has gone up. The production has gone up in both areas.

The third table is one on feed grain supplies and beef and pork production and cattle and hog prices. It shows that total corn production went up, and that the total supply of feed, total feed units, has gone up very materially. This has had its effect upon the production of cattle and hogs, and is affecting the agricultural price situation for livestock and livestock products.

We appreciated the opportunity to make the statement. We will be glad to attempt to answer any questions you might have.

(The tables are as follows:)

TABLE 1.—December 1956 corn referendum vote by States

State	For corn base-acreage program	For corn acreage- allotment program	Total votes cast	Percent favoring base-acreage program	Percent favoring acreage- allotment program
Alabama	3,223	633	3,856	83.6	16.4
Arkansas	1,123	761	1,884	59.6	40.4
Delaware	336	44	380	88.4	11.6
Georgia	3,808	625	4,433	85.9	14.1
Illinois	58,592	13,949	72,541	80.8	19.2
Indiana	29,147	9,917	39,064	74.6	25.4
Iowa	51,724	35,177	86,901	59.5	40.5
Kansas	3,793	3,545	7,338	51.7	48.3
Kentucky	11,014	1,620	12,634	87.2	12.8
Maryland	817	399	1,216	67.2	32.8
Michigan	8,032	2,678	10,710	75.0	25.0
Minnesota	10,939	35,495	46,434	23.6	76.4
Missouri	10,987	12,488	23,475	47.8	53.2
Nebraska	16,656	16,655	33,311	50.0	50.0
New Jersey	364	87	451	80.7	19.3
North Carolina	16,042	4,317	20,359	78.8	21.2
North Dakota	235	591	826	28.5	71.5
Ohio	17,236	6,943	24,179	71.3	28.7
Pennsylvania	2,555	904	3,459	73.9	26.1
South Dakota	4,851	13,126	17,977	27.0	73.0
Tennessee	9,158	1,377	10,535	86.9	13.1
Virginia	1,009	972	1,981	50.9	49.1
West Virginia	229	13	242	94.6	5.4
Wisconsin	7,315	5,979	13,294	55.0	45.0
Total	269,185	168,295	437,480	61.5	38.5

TABLE 2.—United States corn acreage, yield, and production in and outside commercial area, 1953-57

	1953 ¹	1954 ¹	1955 ¹	1956 ¹	1957 ¹
Commercial area (number of counties)		834	805	840	894
Allotment (acres in thousands)		46,996	49,843	43,281	37,289
Planted:					
Commercial area (acres in thousands)	58,909	58,724	58,524	56,877	
		² (56,544)	² (55,994)	² (55,086)	
Noncommercial area (acres in thousands)	22,665	23,461	22,573	21,680	
Yield:					
Commercial area (bushels per acre)	45.2	43.9	43.8	49.6	
Noncommercial area (bushels per acre)	24.0	20.4	29.6	29.0	
United States (bushels per acre)	39.3	37.2	39.8	43.9	
Production:					
Commercial area (millions of bushels)	2,665	2,580	2,562	2,823	
Noncommercial area (millions of bushels)	545	477	668	629	
United States total (millions of bushels)	3,192	3,010	3,185	3,452	

¹ Basis 1957 commercial area unless otherwise indicated.² () indicates actual acreage—for example, 58,724,000 is the acreage in the commercial area for 1954, on the basis of the 894 counties which are in the area in 1957. Actually there were 56,544,000 acres in the commercial area for 1954.

Source: American Farm Bureau Federation—Compiled from U. S. Department of Agriculture data.

TABLE 3.—*Specified data re feed grain supplies, beef and pork production, cattle and hog prices*

Item	1951	1952	1953	1954	1955	1956
Million hushels						
Feed grain supply: ¹						
Corn.....	3, 666	3, 779	3, 979	3, 978	4, 265	4, 617
Oats.....	1, 158	1, 069	1, 025	1, 230	1, 329	1, 057
Barley.....	257	228	247	379	401	372
Grain sorghums.....	163	91	116	235	243	205
Rye.....	6	7	8	9	9	7
Wheat.....	104	84	77	60	54	60
Total feed units ²	4, 733	4, 687	4, 897	5, 201	5, 556	5, 717
Grain per animal unit (bushels).....	28. 3	29. 5	31. 3	32. 2	33. 7	35. 3
Million pounds						
Cattle and calves production.....	9, 896	10, 819	13, 953	14, 610	15, 146	15, 900
Pork production.....	11, 481	11, 527	10, 006	9, 870	10, 991	11, 300
Total.....	21, 377	22, 346	23, 959	24, 480	26, 137	27, 200
Per hundredweight						
Hog price received by farmers.....	\$20. 00	\$17. 80	\$21. 40	\$21. 60	\$15. 00	\$14. 40
Beef cattle price received by farmers.....	28. 70	24. 30	16. 30	16. 00	15. 60	15. 00

¹ Calculated as follows: Corn, carryover of old corn on Oct. 1 plus total crop; oats, Oct. 1 stocks; barley, total crop; grain sorghums, total crop; wheat and rye, production fed to livestock during year beginning July.

² Calculated by applying the following factors: Corn, 1.000; oats, 0.503; barley, 0.806; rye, 0.850; wheat 1.125; and grain sorghums, 0.950.

Source: American Farm Bureau Federation—Compiled from U. S. Department of Agriculture data.

Mr. POAGE. We are delighted to have you present. We appreciate your statement.

I understand that the American Farm Bureau is deeply interested in other crops as well as in corn.

Mr. SHUMAN. We are interested in many other crops and problems.

Mr. POAGE. And for a great many years there never seemed to be any conflict between the various crops that were involved in this country. I think it should be said for the record that you had an illustrious predecessor by the name of O'Neal. And I think that as long as Ed O'Neal was in your organization there was very little friction between the major crops of this country.

Unfortunately, in more recent years—and I certainly don't mean to be blaming it upon any individual—there has been a tendency in recent years for scrapping between the crops, trying to take advantage for one that is not given to the other.

Again, I blame individuals for that. But unfortunately, that is a condition that has existed in recent years.

Mr. SHUMAN. Yes, sir, Mr. Chairman. The fact that we have attempted by Government action to fix prices and control production, naturally causes the various production interests to come into greater and greater conflict, because as long as their relationship was determined on the basis of economics then it was not possible to use political pressure to try to change the relationship.

Mr. POAGE. That is correct.

Mr. SHUMAN. So the political situation is what caused the conflict.

Mr. POAGE. I think you are correct in stating that was one of the basic things in our difficulty, but the situation does exist.

Mr. SHUMAN. That is right.

Mr. POAGE. That we are now having rivalry, as it were, between various crops jockeying for position.

Mr. SMITH. Mr. Chairman, I would ask a question right along that very line.

Mr. POAGE. I will be glad to yield to the gentleman if he wants to ask a question. I will be glad to yield to you.

Mr. SMITH. I want to ask a question.

Mr. POAGE. I will be glad to yield to the gentleman.

Mr. SMITH. I want to know why it is that we have always used a club on the wheat farmer and the dollar and cents method on corn farmers.

Mr. POAGE. I think that question is an excellent one and one I have never been able to answer. I think the gentleman hit the root of the whole question. And I think that is right. I think that is the question before us this morning, Mr. Shuman.

You come before us and tell us that the corn man is going to suffer if we cut him down $33\frac{1}{3}$ percent below his historic acres. I do not think there is a man on the committee that will deny that. I think we will all agree that that is true.

And I do not think there is anybody here that wants to force the corn grower down to that sort of level.

But Mr. Smith's wheat farmers out there in western Kansas have already taken a cut of $33\frac{1}{3}$ percent.

Mr. Abernethy's cotton farmers have taken a cut of 38 percent.

The tobacco farmers have taken over 40 percent.

The peanut farmers have taken a cut of 61 percent.

Mr. MATTHEWS. Don't forget the tobacco farmer.

Mr. POAGE. I do not see any of these people coming here and saying, "These folks just can't live—pay them out of the Government Treasury—give them an opportunity to get Government money."

I think maybe you have come up with a better idea. Please do not take it that I am criticizing. Maybe you have got the better idea—the better approach for corn, but we all said and I accept my share of the responsibility—we all said to the wheat and cotton farmers, "In order to get your production down, we will just force you down"—as Mr. Smith says, the club method.

"We will force you down."

And in doing it—Mr. Shuman, let me see if I am not right and you tell me if this is an unfair statement—and in doing it, we recognized that we had to let these farmers who were growing wheat and growing cotton, if they were to divert so many acres, we had to let them grow something else.

There was not enough income left from the land that was left, even with the support price. We had to let them grow something to get some income from that land.

We did it by allowing them to go into the feed business, didn't we? Isn't that a correct statement?

Mr. SHUMAN. That part of it is certainly correct, that the diverted acres from wheat and cotton and many other products did go into feed crops as well as other crops; soybeans, etc.

Mr. POAGE. All right. And soybeans we look upon as a feed crop, too. Soybean meal is rather an important feed.

Mr. SHUMAN. However, Mr. Chairman, I would like to get at this question as to why corn farmers should be treated differently. Actually, we are not suggesting any different treatment.

In each of the crops mentioned there has been special action of the Congress to soften the impact of the restrictions placed in the adjustment legislation.

Wheat has a 55 million acre minimum national allotment. And, also, individual farmers can raise up to 15 acres of wheat without restriction.

Some tobacco has a minimum allotment.

Cotton has a minimum national allotment.

So we are not asking for anything substantially different, except we would require acreage taken out of corn to be withheld from producing crops in surplus.

Mr. POAGE. Go ahead.

Mr. SHUMAN. We are not asking for as much as has already been given to other crops.

Mr. POAGE. I will yield to Mr. Abernethy.

Mr. ABERNETHY. Will you point out where that minimum allotment has given any advantage over other crops, particularly corn, on which you are testifying? What is the advantage?

Mr. SHUMAN. Congressman Abernethy, if the regular—the provision of the act had been permitted to apply on cotton——

Mr. ABERNETHY. I am not talking about that. We are talking about that which did apply. And the point is the advantage.

Mr. SHUMAN. Cotton producers under the formula in the law would have had to cut to 3.9 million acres instead of the 17.6 million acres provided by a special national minimum provision.

Mr. ABERNETHY. You are speaking of cotton?

Mr. SHUMAN. Yes, sir.

Mr. ABERNETHY. How much was it cut, from 28 to how much?

Mr. SHUMAN. Well, the allotment for 1956 is at 17.6.

Mr. ABERNETHY. How much has been cut?

Mr. SHUMAN. From about 27 million acres to 17.6—about 9.4 million from the 1953 acreage.

Mr. ABERNETHY. About 10 million?

Mr. SHUMAN. Yes.

Mr. ABERNETHY. All right. How much have the others been cut?

Mr. SHUMAN. In wheat, the allotment is 55 million acres. If the law requiring producers to keep supplies in line with demand had been permitted to operate, acreage would have been cut to about 12.4 million acres.

Mr. ABERNETHY. It was permitted to operate to the extent of about 35 percent of both of those that you are talking about?

Mr. SHUMAN. Yes.

Mr. ABERNETHY. All right. That is all.

Mr. SHUMAN. About 30 percent acreage reduction from 1953 to date in wheat and 31 percent in cotton, and 28 percent in rice.

Mr. POAGE. It is fair to say that all of these basic crops, other than corn, have already taken a cut before they get down to this minimum allotment that you are speaking about, comparable to what you say corn cannot take, haven't they?

Mr. SHUMAN. Well, corn production, of course, has never been put under quotas. I think it is unrealistic to think that it could be put under quotas.

Mr. POAGE. You feel that corn cannot take a $33\frac{1}{3}$ percent cut. And I agree. You do, don't you?

Mr. SHUMAN. I do not think that the farmers will comply with a $33\frac{1}{3}$ percent cut in corn allotments.

Mr. POAGE. The farmers won't stand for it?

Mr. SHUMAN. That is right.

Mr. POAGE. The corn farmers are just hardheaded and they will not take that kind of a cut. That is right? That is what you tell us?

Mr. SHUMAN. I think that is realistic.

Mr. POAGE. Now then, Mr. Smith's wheat farmers have taken that much cut; haven't they?

Mr. SHUMAN. They have taken about a 30-percent reduction in acreage under quotas.

Mr. POAGE. They have taken a cut. Their quota already includes a cut as great as you say corn farmers cannot live under.

Mr. ALBERT. Will you yield; on that very point?

Mr. POAGE. I know. But I want to develop it.

All right. That is true, is it not, Mr. Shuman?

Mr. SHUMAN. There has been——

Mr. POAGE. Explain that to us.

Mr. SHUMAN. Under quotas there has been a 30 percent reduction in wheat acreage from 1953 to the present and about 31 percent cut in cotton.

Under corn allotments, which do not have to be complied with, farmers have not reduced the acreage very much. I do not think allotments on wheat or cotton or any other crop would have produced any material cut in production.

Mr. POAGE. What do you mean, there has not been that much cut under allotments? Do you mean that we grew more than two-thirds of our normal cotton this last year?

Mr. SHUMAN. No; the difference between an allotment and quota, of course, is that a quota is compulsory and an allotment is voluntary.

Mr. POAGE. I am asking if it is not correct the cotton farmer has already taken a cut of approximately one-third of his historic production?

Mr. SHUMAN. Yes; in acreage and shifted to feed grains.

Mr. POAGE. Has not the wheat farmer already taken a cut approximately one-third of his historic production?

Mr. SHUMAN. Yes; but he shifted much of the acreage to feed grain.

Mr. POAGE. Has not the peanut farmer taken a cut of one-half of his historic acreage?

Mr. SHUMAN. I am not sure about the peanuts, but I know that cotton and——

Mr. POAGE. You know that cotton and wheat——

Mr. SHUMAN. That cotton and wheat has shifted acreage.

Mr. POAGE. Have taken at least a third?

Mr. SHUMAN. Yes.

Mr. POAGE. You tell us that corn cannot take a cut of a third. I do not know on what formula you say that corn cannot stand that kind of cut. Wheat and cotton have taken it; haven't they?

Mr. SHUMAN. I would like to point this out, that while corn producers have not reduced acreage and the wheat and cotton producers have reduced the acreage of these particular crops, the producers of wheat and cotton have increased their production of corn and competing feed grains which are in surplus.

Mr. POAGE. That is right.

Mr. SHUMAN. This is not true in the case of corn.

Mr. POAGE. That is right.

Now, let us follow that. That is exactly what I think we ought to get to.

The reason that the cotton and wheat farmers have been able to do this, it seems to me, is that he has been able to divert to feed grains, whether noncommercial corn or whether it be others; it is all feed grains. He has been able to divert to feed grains.

And we were criticized yesterday—the Assistant Secretary of Agriculture criticized us bitterly for causing the problem in corn.

Let us solve that problem for corn in the wheat and cotton areas by the same formula which you asked for to solve it for corn.

Why not let us? Why wouldn't you let us have the same program that corn has, that you ask for corn? Why wouldn't you let us have the same program?

Mr. SHUMAN. You mean—I am not sure that I understand.

Mr. POAGE. I mean to let us cut our historic production by 12, 15 percent, whatever you want to, down to a farm base comparable for corn. And then let us put acres below that farm base into the soil bank on exactly the same basis that you let the corn man put it in.

And if you do, we will stop growing this feed. We will stop creating this competition for corn, because you will then let us get our hands in the Government's pocket, just like you propose to put the corn farmers' hands in the Government's pocket.

And if you will put our hand in Uncle Sam's pocket, like you have had the corn growers hands in his pocket, then we will quit growing this feed. We will be glad to quit it.

Why not let us enjoy some of the same opportunities for income at the expense of the Government that you offer for the corn man?

Mr. SHUMAN. Mr. Chairman, perhaps corn farmers for future years would agree to do something like that if the wheat and cotton producers would be willing to take a different level of price supports and to abandon quotas.

Mr. POAGE. So far as I am concerned, we will take exactly the same proposition that you give to corn. We will take it. And that is all we ask. And that is the same treatment that you propose to give to corn.

You propose to support corn. You expect to support a man who brings his corn down to his farm-base acres and then you will put 15 percent of that farm base into the soil bank, even though he has not cut down to his allotment.

You then propose to support him at whatever the figure is. There is some variation whether it is to be 50, 70, or 75 percent. We will take whatever you take.

Isn't that a fair proposition?

Mr. SHUMAN. I think maybe we better go back and write some legislation along that line and see if the Congress would pass it.

Mr. POAGE. Why don't we try to do that, instead of trying to play one party against another? Why don't we try to get all together?

Mr. SHUMAN. This is essentially what we are for, Mr. Chairman. We would agree——

Mr. POAGE. You are for what, to propose the same treatment across the board?

Mr. SHUMAN. That is at the right time.

Mr. POAGE. I think we can get together, Mr. Shuman. I am delighted to hear you say that.

Mr. SHUMAN. We would, of course, have to lower the price supports and go to——

Mr. POAGE. We will take whatever you take. Isn't that a fair proposition?

Mr. SHUMAN. Why, certainly, it sounds like it. I think we could get together on some such basis as that at the right time.

Mr. SIMPSON. Actually, Mr. Shuman, isn't what the vice chairman of the committee is proposing and you are proposing, and I think some members of this committee, is that you are trying to do away with the 1938 formula?

Mr. SHUMAN. Congressman Simpson, I am not sure where that formula originated but actually, as I understood Vice Chairman Poage's suggestion, it was that we go away from the quota price fixing over to the allotment base acreage type.

Mr. SIMPSON. The 1938 Basic Commodity Act.

The fact is each individual crop is trying to do something to bypass that 1938 formula. That is exactly what I think you are trying to do. And I am not sure but what you are right.

Mr. POAGE. If we can write one bill to take care of all of these crops, wouldn't we have done something of value?

Mr. SHUMAN. Yes.

Mr. SIMPSON. In answer to Mr. Smith's question of why wheat has a club over it and corn does not, there has never been in the 1938 act any compulsion about the corn program.

And according to Mr. McLain's testimony, you only had 40 percent compliance because 75 percent of all of the corn is marketed through livestock.

You have got to treat these commodities differently. Some are trying to treat them the same. That is all.

Mr. SHUMAN. Mr. Chairman, I should reply further to Congressman Smith's question.

The real reason why you cannot apply quotas to corn is the point that Congressman Simpson mentioned and that is something over 75 percent of the corn is fed on the farm—either on the farm where it is grown or an adjoining farm. It would literally be impossible to enforce quotas.

Mr. POAGE. I believe that both of the members of the committee will agree that the corn situation requires a different treatment, but I think Mr. Smith's feeling is, certainly mine is, that we should not treat the other crops unfavorably as compared with corn. Give the other crops what they need, too. Not to deny corn what it needs.

I think you and I are in substantial agreement.

Mr. SIMPSON. Will you yield?

Has any legislation been introduced for wheat and cotton on the same basis as corn?

Mr. POAGE. Yes, it has. As a matter of fact, it has for cotton. There are about a dozen bills before us—pending before this committee right now, about a dozen bills on that right now.

Mr. SIMPSON. To give the same treatment to it as to corn?

Mr. POAGE. I do not know about wheat.

The only point that I am making is we should act on them all together—treat them all alike at the same time.

Mr. SHUMAN. The only point on which I would like to raise a question is that if this approach was taken it probably would result in considerable and lengthy debate. And we do not have very much time this year if we are going to make it possible for the corn farmers to go along with the soil bank.

Mr. POAGE. Nobody recognizes that better than I do. I represent the State of Texas, and they are beginning to plant cotton this week. It is to go into the ground this week—not sometime down the line, but today is the day that they start legally planting cotton in the Rio Grande Valley. It is already starting right down there this morning.

I understand full well the importance of speed, because we are going to have to have our cotton up and chopped out before you begin planting that corn.

I know what we need in the way of speed. We are not trying to hold anybody up. We are asking to get together on this thing.

Mr. HOEVEN. Mr. Shuman, I think you have correctly pointed out that time is of the essence, so far as the corn situation is concerned.

Mr. SHUMAN. Yes.

Mr. HOEVEN. Our main objective now, as I understand it, is to get our corn farmers to participate in the soil bank.

Mr. SHUMAN. That is right.

Mr. HOEVEN. If we are going to get the corn farmers in the soil bank, we must give them an attractive program.

It seems to me that we should handle the corn problem as an emergency measure and take up the other commodities in an orderly manner and as soon as possible.

Mr. ALBERT. Will you yield on that point? Do you think it would resolve the problem if corn were dealt with on a 1-year basis and then we started on all of the crops together?

Mr. HOEVEN. We must meet this emergency at once if we are going to have real participation in the soil bank.

Mr. ALBERT. That is what I am talking about.

Mr. HOEVEN. We must take care of the corn situation immediately.

Mr. ANDRESEN. Mr. Shuman, at the time I introduced H. R. 3011, I was of the firm conviction that we would have a general farm bill sometime during this year, and that this bill was to deal strictly, as Mr. Hoeven said, with an emergency matter. For this year, I mean.

Having been here at the time the act of 1938 was passed and having had something to do with it as a member of this committee, why, I recognized at that time we would run into difficulty over that program. Every crop was treated separately, every basic commodity was treated separately under a separate program in that bill. And it has not worked out over the long run.

I do not know what this committee will do. I know that during the course of the past 20 years we have had more hearings on cotton

than on any other commodity, trying to write many gimmicks into the law so as to correct the situation. And the committee has gone along on that.

We are now up against reality and, particularly, in one of the larger basic crops in this country. It has more value than any other crop, and it serves a greater purpose than any other crop.

When this bill of mine was introduced I wanted to specifically deal with the crop of 1957. In writing the bill we took into account some of the future years.

What you say is the attitude of the Farm Bureau.

I do not know how quickly this committee can get together on writing a farm bill, but I would rather deal with corn as a separate proposition in this emergency now than to jeopardize the entire farm program.

But our chairman has in mind a general farm bill. I am ready to sit in and try to work out a general farm bill that we can all agree to.

Mr. SHUMAN. Mr. Chairman and Congressman Andresen, we in the American Farm Bureau would certainly agree with that approach.

I think Congressman Albert suggested it, too, that perhaps that there can be a quick enactment of a bill to take care of the 1957 situation with corn. And we would certainly welcome the opportunity to present our viewpoint on legislation which would make a similar type of opportunity available to the other crops.

Mr. ANDRESEN. Mr. Chairman, if I may continue?

Mr. POAGE. Yes.

Mr. ANDRESEN. You recognize the difficulties when it comes to re-vamping or rewriting new farm law. I am sure of that.

Mr. SHUMAN. Yes.

Mr. ANDRESEN. Because the Farm Bureau was very active in working on that legislation in 1938 when it was considered here and enacted into law.

In writing a temporary emergency bill for corn, how many crops would you include in this temporary bill?

Mr. SHUMAN. Well, the only crop that we would include would be corn.

Mr. ANDRESEN. I mean crop years of corn.

Mr. SHUMAN. Well, if it was the intention of the committee to develop legislation which would make similar type of programs available to other crops, I think we would support a 1-year corn approach as a separate bill.

Mr. ANDRESEN. Well, the bill introduced by Mr. Arends contemplates 3 years—1957, 1958, and 1959 crop years.

Mr. SHUMAN. That was, I think, Congressman, to coincide with the acreage reserve provisions of the soil bank.

Mr. ANDRESEN. The termination of that?

Mr. SHUMAN. Yes.

Mr. ANDRESEN. Do you see any objection to proceeding on that basis, to have this emergency legislation terminate at the end of the 1959 crop?

Mr. SHUMAN. No. I think it would be agreeable; certainly with us.

Mr. ANDRESEN. And then if we should write a general farm bill to include all commodities as our vice chairman has suggested.

Mr. SHUMAN. Yes.

Mr. ANDRESEN. Whether it be 1957 or 1958 or whenever it was enacted into law?

Mr. SHUMAN. Yes, sir.

Mr. ANDRESEN. In the meantime take care of the corn situation?

Mr. SHUMAN. Yes, sir.

Mr. ANDRESEN. That is all.

Mr. HILL. Mr. Shuman, two or three questions come to my mind.

One is this: We got into trouble, in my opinion—this is not to blame anyone, because I do not think anyone or any organization or our committee is to blame—in 1938 when we wrote the old basic Agricultural Act which may have been needed at that time.

And within 2 years we were in war. That act was born in a depression. And we made very little changes. Of course, we would not when the farmer was prosperous; there was no demand to change it.

I talked to the Secretary when they brought in soil bank. "What are you going to do for State like Colorado?" And we are typical of the West, where none of our crops, not a single thing, except wheat, qualified under the soil-bank acreage control section of that bill. Not a crop could we include.

And immediately the answer was, from the Under Secretary, "Well, we didn't think this should be extended to anything but basic crops."

That caused immediate trouble.

In order to get our bill through we are going to, just like we are going to do now, adopt a temporary piece of farm legislation.

And farm legislation does not fit any temporary program, because you are dealing with food. You are dealing with the energy that brought every man into this meeting this morning. It brings every child into the world and keeps him going until he passes out of it.

We don't fit in any category of labor, or any other form of interstate and foreign commerce.

This committee, in my opinion, has the most responsibility of any committee in the Congress.

Let me go one step further and then I am finished.

You cannot compare corn with these two other crops, cotton and wheat. Cotton and wheat are a product that immediately goes into commerce. You don't feed them. You don't eat them. I mean in the broad sense. They are not consumed at home. They immediately go into commerce. That is true of wheat as well as cotton.

Listen now and see if I am not right. We can grow wheat and we immediately want to get it into commerce. It helps our railroads. It helps the truckers, it helps everybody. It helps all of the people.

Cotton does the same thing.

With corn it is not true. Everyone testified that 60 to 80 percent of all of the corn produced is either fed on the farm or in the neighborhood.

When you come to write a general farm bill you tell me right this morning—that is what is the matter with our whole program—how we will write a bill on corn and put the same regulations and the same type of control program in it that you will for cotton and wheat.

I would like to know how you can do this.

Mr. SHUMAN. Congressman Hill, it would be absolutely impossible to write a bill that would apply the same kind of restrictions on corn that are applied to cotton and wheat and have it work.

Mr. POAGE. Will you yield?

Mr. HILL. Yes.

Mr. POAGE. If you will allow the wheat farmer to make a 12, 15, 18 percent reduction from his historic production—it is not impossible to do that—and establish for him a farm base, just as you propose to establish a farm base for corn, and it isn't impossible to allow that wheat farmer to then place land in the acreage reserve from his farm base rather than from his allotment, just as it is proposed for the corn farmer to place his land in the acreage reserve.

Those things are not impossible. It is perfectly possible to accord to the wheat farmer the same opportunity that we propose to accord to the corn farmer.

It is possible to accord that same opportunity to the cotton farmers.

And having accorded that opportunity to him, you then give him an opportunity to quit this feed grain business. You then give him an opportunity to get out of competition with corn, because by putting his land in the soil bank he does get some income from that land, just as the corn farmer is going to get some income from the land on which he does not grow corn.

And that wheat farmer will not have to plant maize in Colorado. He won't have to plant soybeans in Iowa. And the cotton farmer won't have to plant grain sorghum in Texas.

He will look to the same source that the corn farmer will look to, to enable him to divert his acres. That is all we are asking, that you give to your man in Colorado the same opportunity that we will give to the corn farmer in Iowa.

Mr. HILL. Let me ask you this: You are aware, I am sure, Mr. Shuman, that Colorado was one of the States that increased its wheat acreage when prices were high.

Now then, in the history of this wheat affair if this happened, the very thing that the chairman is saying now, that we decided to restrict the wheatgrowers. What would happen?

Take the State of Missouri, or the State of Michigan, and you will find, if you look at the record, the minute you begin to restrict us out there in the High Plains region where we can produce wheat cheaper than any man in Missouri, because we can still produce it with large farm equipment improvements that they have made on farm machinery, this is what happens.

You check the acreage increase in those two States. It is beyond belief.

I think 1 of those States increased its wheat acreage 46 percent. We are not talking about now. We are talking about 10 years ago.

And if you do not think of this farm program as to what happened 10 or 5 or 2 years ago, we will fail.

How will you handle a situation like that? I think half a dozen other States did the same thing that Missouri and Michigan did. They took corn acres out and put it into wheat. Missouri did. At the same time that you are curtailing acreage in other States.

That is the question I want answered in any legislation we consider. I am through.

Mr. SIMPSON. Will you yield?

Mr. ABERNETHY. I yield.

Mr. SIMPSON. The gentleman from Colorado stated that Colorado was not taken care of in the Basic Commodity Act; perishables were not taken care of in that act, they were not even considered.

But I think the gentleman from Colorado must have a few sheep running around out there. And they are taken care of to the tune of 90 percent.

Mr. HILL. If you find fault with that—the gentleman would not have any wool in that suit of clothes.

Mr. SIMPSON. This is a synthetic, made in competition to cotton. [Laughter.]

Mr. ABERNETHY. Mr. Shuman, I do not know whether I can shed any light on this or not, but I am going to try. I think maybe we have some ideas here this morning which may permit us to get together on something immediate for 1957, anyhow.

Yesterday when Marvin McLain was here, it was made crystal clear that if the soil-bank program worked in the commercial corn area, which it no doubt will, that it would firm up the price of corn and would encourage the production of corn in the noncommercial corn areas.

Now, when you fix a program for price support that is one thing. But when you fix a program for the soil bank that is another thing.

And Mr. Smith's wheat farmers and my cotton farmers and the other farmers are looking at the soil bank thing now. They are not looking at price supports.

So when I go home they will say, "Well now,"—if we pass the proposals that have been submitted by the Secretary and others—"You fellows paid the corn people soil-bank cash, when they began their reduction of planting from 89 percent of their normal planting.

"But you paid the wheat farmer his soil-bank check when he put his acreage in the soil bank beginning at 68 percent of his normal planting.

"And the cotton man was paid soil-bank checks when he started putting his acreage in from 62 percent of his normal acreage."

Does it make sense that we will say this to him: "Pay the corn-bank farmer in the commercial corn area his soil-bank pay, for whatever acreage he puts in beginning at 51 million acres which is about 89 percent of the normal planting, and then pay these other farmers who you say are making the competition for the commercial corn farmer in that they are going into corn and other grains, soil-bank checks from 75 percent—I just use that as an illustration—of their normal planing, provided they put their difference—see if I can make this clear—provided they put the difference between their normal cotton and wheat planting and the 75 percent in the soil bank."

In other words, what I am trying to say is, it would require the cotton farmer and the corn farmer and the others who are making the competition for the commercial corn-bank farmer, it would require them to put these diverted acres into the soil bank and reduce their corn plantings in the noncommercial corn area accordingly, either corn or some other grain.

In other words, he would not get it unless he takes some grain out of production.

Mr. SHUMAN. That is correct.

Mr. ABERNETHY. Does that make sense?

Mr. SHUMAN. Well, there is one significant difference. That is, that the wheat farmers and the cotton farmers are assured of the mandatory higher percentage of price supports than the corn farmers are. So it is not exactly alike.

Mr. ABERNETHY. I do not know that they are. They were not assured of it last year; and they didn't get it. That is a poor argument, I think, with all deference, because last year the price support on cotton was 82½; on wheat it was 83.7; on corn it was 86.6.

Mr. SHUMAN. However, the total price support for this corn will be lower than that. Most of the bills that have been introduced have proposed a lower level of price support in exchange for this higher acreage.

Mr. ABERNETHY. That is based on supply, too, isn't it?

Mr. SHUMAN. Yes, sir.

Mr. ABERNETHY. The object is to bring down the production. They fix it at a level that they think will, at least, keep production in line with demand. Of course, I do not think it has any effect on it when you have quotas, but some argue that it does. I think you are one of them.

Let us concede that there is a difference that you have just suggested, or that that difference does exist, does the proposal that I have submitted make any sense?

Mr. SHUMAN. Yes. I am not sure that I got all of your points, but it certainly is rather a logical statement.

Mr. ABERNETHY. In other words, the wheat farmer whose soil-bank payment begins with 68 percent of his normal plantings now, you say to him, "We will begin your soil-bank payment at 75 percent of your normal wheat planting"—which is 7 percent higher than his wheat allotment—"but you cannot have that 7 percent unless you take some of your grain lands out of grain."

That would be of great assistance to the corn farmer in the commercial belt and it would permit us, those of us who live in the non-commercial area, to somewhat get some of these soil-bank checks.

You know, they come in pretty handy.

Mr. SHUMAN. Of course, I would call attention to the fact that the purpose of the soil-bank bill as we understand it is to bring about some reduction in production.

Mr. ABERNETHY. That is exactly what I am proposing. I am proposing that they won't be handed a check just for the fun of it. They won't be handed a check just as a tip or a gratuity or a dole. They will only receive that check if they put their diverted acres which they have heretofore planted in grain or a portion of it into the soil bank.

Mr. SHUMAN. We have favored restrictions on the use of diverted acres and continue to be in favor of restrictions on the use of diverted acres.

Mr. ABERNETHY. I am not trying to tie you or myself to this idea. What I am trying to do is to come up with something that will encourage the people in the noncommercial corn belt area and in the non-commercial areas to put some of that acreage in the soil bank where they have been planting corn on it and, at least, contribute that much to the solution of the corn problem.

I think it makes some sense myself. It may not.

Mr. SHUMAN. Mr. Chairman, let me say that both of these suggestions of Mr. Abernethy and the chairman have merit, especially if

you consider that coupled with these suggestions of the chairman for changes in the approach on quotas and——

Mr. ABERNETHY. We don't have time, I think you will concede.

Mr. SHUMAN. We haven't time to write it here.

Mr. ABERNETHY. I am talking of something for the immediate present.

Mr. SHUMAN. It would necessarily involve adjustment, though, in the price supports.

Mr. ABERNETHY. Let me end up right here with this suggestion. Probably, the idea has occurred to you—I do not know—but if it has not, I would suggest that you fellows go back to the office this afternoon and go into that.

Mr. SHUMAN. We certainly will be glad to discuss it. We have not fully discussed this angle.

Mr. JOHNSON. They say that this corn legislation is necessary because of the spring planting. Wouldn't it have to be rushed if you get areas that have contributed diverted acres? It is just as much rush to them.

Mr. ABERNETHY. Of course, it would have to be.

Mr. SHUMAN. Our thought is that we need the corn legislation to help make the soil bank effective this year.

Mr. ABERNETHY. That is exactly what I am proposing, to make it effective this year.

Mr. SHUMAN. On these other crops then we will take more time to work them out.

Mr. ABERNETHY. What I propose will be more effective than that which the Secretary has proposed, because it will put into the soil bank some more corn acres that will not be in there if we leave it right where these bills are that are pending before us now.

Mr. SHUMAN. Certainly, your suggestion has merit and we should give it careful study. And we will, I can assure you of that.

Mr. ABERNETHY. Do not make the careful study too long, as they ask us.

Thank you.

Mr. HILL. Haven't you figured it out, so he will have the benefit of your thinking, how much more money this would add to the soil-bank program?

Mr. ABERNETHY. I have not. This idea came to me just now in this discussion. I just had a brain reaction here, something I seldom have.

Mr. SHUMAN. Sometimes that is where some of the best ideas come from.

Mr. HILL. I see no reason why we could not work out a general regulation that will set the top, the limit on how many acres of wheat we think the United States should have.

You have got to do that or we never are going to have a workable program. And then you say take off a certain amount and we will put that certain amount into the soil bank.

Then you can say to cotton the same thing. Here is the top on cotton. That is all.

That would get away from an area increasing acreage while other areas were decreasing.

The very thing that I mentioned you are mentioning now.

Mr. ABERNETHY. As long as we continue the effort of trying to solve the corn problem in the commercial corn area and assuming that we do solve it, it is going to spring up again simultaneously in the non-commercial corn area.

Mr. HILL. Our own State has that.

Mr. ABERNETHY. The only way to put a lid on it is to put them in the soil bank.

Mr. ANDRESEN. Assuming we would proceed to write a general farm program covering all of these basic commodities, would you recommend doing away with the marketing quotas, acreage allotments and penalties?

Mr. SHUMAN. No. We have no position that would direct us to go that far.

We do have a resolution that says that we would favor the development of alternative proposals to be submitted to the producers of these crops for referendum vote, on majority basis, to determine whether or not they would favor a program similar to the corn type program.

That is why I joined in saying that the chairman and Congressman Abernethy's proposal, certainly fitted in closely with some of our thinking.

Also, we are directed by our delegates to favor the control of the use of diverted acres and to have such regulations as would bring about the use of these diverted acres for conserving purposes rather than producing feed crops.

Mr. ANDRESEN. If we changed the type of program to rely largely on the soil bank to meet the situation, it would have to do away with marketing quotas and penalties.

Mr. SHUMAN. You could have a choice in a referendum. That is, the farmers could vote as to whether or not they wanted the quotas or whether they wanted a different type of program.

Mr. ANDRESEN. Do you think that entire matter should be clearly submitted to the producers of all basic commodities?

Mr. SHUMAN. Yes, sir, on a clear majority vote only.

Mr. ANDRESEN. You would then do away with the two-thirds vote?

Mr. SHUMAN. Yes, sir.

Mr. ANDRESEN. And have a bare majority?

Mr. SHUMAN. Yes, sir, with realistic alternatives.

Mr. SIMPSON. The thing I would like to know is, in any new farm legislation would your position be to leave corn in as a basic or to remove it?

Mr. SHUMAN. We would leave that decision to a vote of the corn farmers to decide whether or not they wanted to continue with an allotment-type program or to get out from under it.

Mr. SIMPSON. You have mentioned Les Arends' bill. What do you understand the difference between the Arends bill and the Andresen bill to be?

And I think I can assure you, being an underprivileged member of this committee, that they will not take Les Arends' bill with his name on it.

Mr. SHUMAN. The difference, as I understand it, is—both of them have the same number of acres provided for corn. As to the basis for determining the level of price supports, H. R. 3011 provides for

75 percent to 90 percent price supports. The Arends bill is discretionary with the Secretary.

As to the basis for price supports in the noncommercial area, H. R. 3011 is 75 percent of the level in the commercial area, and the other one is 82½ percent of the level in the commercial area.

Mr. SIMPSON. Mr. Andresen, Mr. Harvey, Mr. Hoeven, and myself worked pretty hard from the time that Congress adjourned until that bill came out. It was drafted by Mr. Farrington of the Agriculture Department, not with the intention that they agreed to it.

Is it too bad?

Mr. SHUMAN. Congressman, I want to commend the authors of this H. R. 3011 because it is a good bill and one approach to this problem.

The reason that we say that we favor the other bill is because our delegates, after thorough discussion, said to us, "Support the same kind of a bill that was offered to the farmers in the referendum."

And so, while we are not making any statement in opposition to this other bill, we simply say we favor this Arends bill, H. R. 3935.

Mr. SIMPSON. Then all of these bills are in the realm of being able to get together?

Mr. SHUMAN. Yes, sir; most definitely.

Mr. SIMPSON. And in an emergency?

Mr. SHUMAN. Yes, sir.

Mr. SIMPSON. I think that is all.

Mr. POAGE. Thank you.

Mr. HARVEY. Mr. Shuman, I want to put a question to you first, because there was brought out in the hearings yesterday a statement that I did not think was true and which I think, if you will turn to the table 2 in your statement, it does corroborate the fact that I want to bring out. I think this is very important.

I have taken the liberty of totalizing the acres of corn as set forth in this table there and I come up with these figures.

According to your table of total acres of corn, 1953, 81 million plus; 1954, 79 million plus; 1955, 78 million; and in 1956, 76 million.

I assume those are taken from the United States Department of Agriculture official tables.

Mr. SHUMAN. Yes.

Mr. HARVEY. Then the statement that was made yesterday that we have had tremendous increase in acres of corn in either the commercial or noncommercial areas is not borne out by the fact, is it?

Mr. SHUMAN. The acreage of corn has not increased nearly as much as the acreage of total feed grains.

Mr. HARVEY. That is the increase. Actually, then, total feed supply has not come from corn but has come from the other supplemental feed grains?

Mr. SHUMAN. Some of the increase in supply—much of it—has come as a result of the increase in yield of corn. The acreage has not increased.

Mr. HARVEY. That brings me to the next point. And I have made a considerable study of this, and I make this statement right here today, that the yield in corn has been relatively constant and that the fluctuations have been due only to weather conditions, as they affected the Corn Belt.

Would you agree with that statement?

Mr. SHUMAN. Certainly not entirely, because we have had the coming of hybrid corn. Most of that change has come since 1932. And, also, the change in method of fertilization of corn. Very little commercial fertilizer was used on corn before 1932, and now practically all of it is fertilized.

However, the fluctuations from year to year have been partly due to weather. That is true.

Mr. HARVEY. But the total corn production has fluctuated around 3 billion up and down?

Mr. SHUMAN. Yes. However, it has gone up since—if you go back even as late as 1940—1948 to 1940—it has come up materially, because now production is running between three and three and one-half billion, and it used to run more normally from two and one-half to three.

So it is at a higher level.

Mr. HARVEY. The fact is that even during those years weather conditions played an important part.

Mr. SHUMAN. That is true.

Mr. HARVEY. And, as you remember, in 1936 we had severe drought.

Mr. SHUMAN. That is true.

Mr. HARVEY. And that resulted in low production?

Mr. SHUMAN. Yes.

Mr. HARVEY. In 1947 we had a severe drought and production dropped to about two billion and a half.

Mr. SHUMAN. Yes.

Mr. HARVEY. The very next year, 1948, it came back with a tremendous corn year, and we had 3½ billion bushels of corn.

Mr. SHUMAN. Yes.

Mr. HARVEY. The total acreage in both cases, 1947 and 1948, was almost identical.

Mr. SHUMAN. I would agree that concerning fluctuations from year to year weather is a more important factor than changes in acreage.

Mr. HARVEY. Then it is a matter of factual record that the surpluses in total grains has come about not because of any significant change in corn, but because of increased production of supplemental grains?

Mr. SHUMAN. Yes. That is the major cause. Some increase in corn, but the major cause is the other fee grains that have increased.

Mr. HARVEY. Thank you.

Mr. HILL. This new hybrid grain sorghum is going to even make that situation, shall I say, much worse because we have 100 percent more production than we have had in the past on the same type of ground. It is not the same type of seed.

Mr. HARVEY. That is true. I agree with that.

I want to address myself then to another phase of your recommendations here.

First of all, I am very happy to note that you start out in the third paragraph of your statement and say, and I quote:

The facts are that we have a supply of feed grains which is too large for a healthy livestock economy; surplus feed means surplus livestock and livestock products; surplus livestock and livestock products mean lower income to the majority of farmers.

I am very happy to see you say that, because I recall sometime previously we had a rather vigorous discussion on that subject and

you were not very sure at that time in your mind that that statement that you now make was an axiom.

I am very happy to note that you have made that statement. I think it is one of the important facts that we cannot lose sight of.

I mention that because I would like to ask you what your recommendation is or what your thinking is with regard to at what minimum level corn should be supported.

Mr. SHUMAN. We would favor the discretionary type of price supports because corn must compete with other feed grains. Price-support levels for different crops need to be related.

Mr. HARVEY. In other words, what you are saying is that you are going to have to in a sense give equal consideration to all types of feed grains.

Mr. SHUMAN. That is right.

Mr. HARVEY. And with that I would agree. I think that is rather fundamental.

Here is one thing, however, in that philosophy that I have a great deal of qualms about. It is this: When the program was working real well during years when we had a corn program and corn was in virtual balance with the livestock requirements, we did not have any difficulty in sustaining a stabilized, healthy livestock market.

You know, being a pork producer, as well as I am, that the corn price served as a floor for the fluctuating hog market.

So the corn price support program was a built-in governor for our livestock economy; was it not?

Mr. SHUMAN. Yes. The corn price level has a definite effect, not only upon the production of other feed grains, but upon the feed-livestock ratio, whether it is cattle or hogs. It certainly has an effect upon the production cycle.

Mr. HARVEY. Well then, that brings us to the condition that I am addressing myself to now. I do not know that you and I are in disagreement, but I do say this, the Secretary, using his authority, has been able to more or less regulate the supplemental grains by discretionary authority. It has worked quite well. Do you think that you could cut the whole grain support program loose, your anchor, in other words. You are going to cut the anchor entirely from the whole program and you think that it will provide a stabilized market for livestock?

Do you see what I am driving at?

Mr. SHUMAN. We would favor price supports being discretionary with the Secretary, because we do not believe that the Secretary, whoever he might be, would endanger the livestock feed ratio by setting the price support at such a level as to either make it favorable for competing grains or to throw the balance out of line entirely.

We think that the discretionary authority is necessary because the relationship changes from year to year.

Mr. HARVEY. How much discretionary authority do you think he should have?

Mr. SHUMAN. Well, the same as he has with the other feeds.

Mr. HARVEY. He has zero to 90 with them.

Mr. SHUMAN. Yes. I think that would be the position we would take.

Mr. HARVEY. And you would be perfectly willing to grant the Secretary authority to put the price of corn at 40 percent, if he so desired?

Mr. SHUMAN. No; I do not think that that would be realistic, that he would ever go to that extreme. I do not think that any Secretary would ever put a price support that low. It would be practically useless to put a price support that low.

Mr. HARVEY. I think you are being inconsistent then if you say, "I advocate giving the Secretary authority to set it from zero to 90," and then turn right around and say, "Yes, I am for that but I do not think he would do it."

Mr. SHUMAN. I think that the idea that the Secretary has discretion to set the price supports in accordance with competitive factors and the supply is essential to make these programs work—whether or not there is a level which you pick there, I suppose that could be argued—but certainly, we think that the discretion ought to be wider than is provided by 75 to 90.

Mr. HARVEY. Wouldn't you agree, Mr. Shuman, that there is a difference in your pricing philosophy as between fixing a price for a commodity like wheat or cotton that goes directly into channels of commerce which can probably be regulated? But in this instance you are not regulating the supply and the price of a commodity that goes directly into channels of commerce.

So in regulating the prices of your feed grains, actually what you are attempting to do is to put a floor under livestock prices.

Mr. SHUMAN. Yes. I would agree that the fact that most of the corn is fed makes it much more difficult to fix prices, because it affects other commodities that cannot possibly be price fixed.

I would also say, though, that it is almost equally impossible but the program does not appear to break down as quickly in the case of the other commodities.

Mr. HARVEY. It is true if you are going to permit the Secretary to fluctuate the prices of feed grains from zero to 90, that you are in a sense being inconsistent when you have also said that you have to have a high, at least a reasonable stable price for grains in order to have a healthy livestock economy.

Mr. SHUMAN. No; I do not think that this is inconsistent. I do not agree that the action of the Government, either by the Secretary or by Congress, can stabilize the price of feed grains for any length of time, without just deliberately taking title to most of the crop.

Changes in this relationship are very inherent. They will happen all of the time. The reason we favored the discretionary authority is because we think that the Secretary ought to have the opportunity to make changes in the level of price supports as these changes appear necessary.

Within, I think, the general legislative instructions, it would be impossible for a Secretary to interpret that a zero price support was called for, because there is a general provision in the law, that the Secretary shall fix these price supports so that they are in relation to the other commodities, supply and demand, and so forth.

Mr. HARVEY. I just do not want to prolong this discussion. I do not want, either, to leave the impression that I have no faith at all in the Secretary, because I do have.

The thing I am saying is (1) I do not believe you could adopt a program and get enthusiastic endorsement of the farmers that had no floor under it so far as feed grain price is concerned.

And, No. 2, I do not think that you could get the best possible livestock market, healthy livestock market, if you had a violently fluctuating grain market or grain support level.

Those are just two very fundamental facts.

I am not criticizing you, but I am saying that in essence I think the Farm Bureau ought to give very, very serious consideration to recommendations.

We all want to keep the farmer as free of control as possible. If we are going to have any, we have to decide precisely between whether we have a good workable program or none at all.

And I think between the two you would be for a good workable program.

Mr. SHUMAN. Yes, that is true. However, 61½ percent of the farmers did vote for a program which provided for price support being discretionary with the Secretary of Agriculture.

Mr. HARVEY. That was a Hobson's choice and I think you will agree.

Mr. SHUMAN. Most any——

Mr. HARVEY. They voted against something, didn't they, rather than for something?

Mr. SHUMAN. I suppose that is true. They voted against the allotment program.

Mr. HARVEY. I think that is true.

Mr. SHUMAN. They voted for more acreage and less price support.

Mr. HARVEY. I had a conference with a farmer's group, mostly Farm Bureau people, just before I came back. And they said in essence, "What we would have liked would have been the best features of both. We didn't get a chance to really vote for anything that we wanted. So actually we voted for the lesser of two evils."

Mr. SHUMAN. I would like to call attention to the fact that in the Agricultural Act of 1949, as amended, under title IV and section 401, subsection B, the authority of the Secretary to establish the level of price supports is fairly well defined. He could not disregard these factors. There is a list of eight factors.

He must keep these in mind in establishing the level of support.

Mr. HARVEY. Yes, I have had a little experience with that sort of legislative authority myself. That still does not necessarily mean when he comes up with a recommendation and you challenge him on the proper decision that he reaches, he will say, "Yes, I took all of those things into consideration."

That is all.

Mr. POLK. A little while ago in reply to Congressman Albert with reference to a 1-year corn program, I understood you to possibly assent to the 1-year program. I am wondering if you have given consideration to the fact that because corn and livestock are so closely tied together our farmers should have more than 1 year's assurance with reference to what they are going to be able to do with reference to corn.

It seems to me that because of this close tieup between corn and livestock, particularly in my area in Ohio where most of the corn is fed on the farm and most livestock farmers raise a number of livestock according to the number of bushels of corn that they have, we

should have a corn program that would cover a longer period so the livestock farmer would be able to do a little planning.

Livestock programs require a lot of planning. Don't you think at least 3 years would be the minimum?

Mr. SHUMAN. In agreeing with Congressman Albert's suggestion or agreeing that we would go along with the 1-year approach to this corn problem, that was tied to the idea that we would have an opportunity or a good chance to work out a program for all of the other commodities based on a choice for the farmers that the farmers could make as between what they now have and some program similar to the corn program.

Yes, in answer to your question, it would be much better to have a corn program which, at least, carried through the period of the acreage reserve part of the soil bank and would permit longer scale planning.

But if we have an opportunity to treat all of these commodities alike, then a 1-year extension might be a good answer and come along then with a bill which would provide a realistic choice for the producers of all of the basic commodities.

Mr. POLK. Knowing the difficulty in getting overall farm programs that will be agreeable to everybody.

Mr. SHUMAN. I think your appraisal is realistic.

Mr. POLK. We have had some difficulty, as you know, in the past in coming to agreement on these questions. In view of that situation, those of us who are interested in the corn problem, I think, should make sure that we have a corn program that in itself will be for longer than 1 year.

We may not be able to work out an overall farm program. I hope we may.

Knowing the difficulties that are involved in that sort of problem, and knowing the seriousness of the corn situation it seems to me that we should provide for a longer period of time.

Personally, I like the bill H. R. 3011, by Congressman Andresen. Personally, I would like to see that sort of bill enacted into law. I will go along with whatever thing is best for the corn farmers.

I know, Mr. Shuman, that you and the Farm Bureau will do everything you can because you are interested in the problem. I did want to raise that question about the 1-year proposition because of the close tieup between livestock and corn.

Mr. SHUMAN. We would prefer more than a 1-year provision in the corn bill, and then if other legislation did come along it could replace that on corn.

Mr. POLK. That is all, Mr. Chairman.

Mr. POAGE. Mr. McIntire.

Mr. MCINTIRE. Mr. Shuman, I would like to ask just a couple of brief questions.

Do you agree with me in the general thought that the soil bank legislation has injected into this problem of production management an additional vehicle of contractual relationship between the producer and the Government?

Mr. SHUMAN. Yes, sir.

Mr. MCINTIRE. As to how to attain this reduction in management?

Mr. SHUMAN. Yes.

Mr. McINTIRE. So that on that basis, do you think of this soil bank vehicle as being a temporary tool or one which will develop into a permanent part of this pattern of production management as between government and the farmer?

Mr. SHUMAN. Yes. We consider that this soil bank is a temporary expedient to try to bring about an adjustment in our overexpanded total agricultural plant. We do not believe that it could be depended upon or should be relied upon as a permanent type of agricultural program.

Mr. McINTIRE. If it is temporary, what are the producers to revert to at the end of this legislation?

Mr. SHUMAN. Our proposal would be that we amend the agricultural legislation to submit to the producers of these basic crops a realistic choice between very restricted acreage and a rather high level of price supports with the second choice being some type of allotment on the basis of a higher acreage with a lower level of price supports. In some such way we would move away from the program which has not worked too well with quotas and relatively high price supports.

Mr. McINTIRE. You have used the word "allotments" in relation to this program after the soil bank is out. That is only a voluntary program.

Mr. SHUMAN. Yes, sir. We hope that would be the proposition that could be submitted to the farmers.

Mr. McINTIRE. If I understand your thought correctly then, you revert to a voluntary program with price-support levels high enough to get voluntary participation.

Mr. SHUMAN. We would favor submitting alternate propositions giving the farmers an opportunity to vote for a somewhat higher acreage with a lower level of price support.

Mr. McINTIRE. You would continue the loan feature of the present price support mechanism?

Mr. SHUMAN. Yes, sir.

Mr. McINTIRE. As to your position of a temporary program, is it your opinion that the problem of surpluses rests solely with the basic commodities?

Mr. SHUMAN. No. The surplus problem is not solely one of basic commodities, but it is more acute with the basic commodities, certainly.

Mr. McINTIRE. Why?

Mr. SHUMAN. Well, for two reasons.

One is that the price support level of basic commodities has been higher, which has resulted in greater incentive for farmers to increase production of those commodities than for the nonbasics.

Secondly, the quotas that have been applied to the basic crops have resulted in large acreages of diverted acres which have gone into other crops and created surpluses in those crops.

Mr. McINTIRE. Then if I were to paraphrase what you said the conclusion is that it is in relation to two things.

One is that it faces a rather serious management problem of how the Government manages the surpluses and, two, it has placed upon the producer a new situation in relation to how much acreage he is permitted to operate with.

Mr. SHUMAN. That is a very good analysis.

Mr. McINTIRE. Does not the surplus problem rest just as acutely on some of those producers outside of the basics?

Mr. SHUMAN. Yes; it certainly does. Take the case of the dairy farmer who does not have, in most cases, a fixed price support structure and yet competition has been built up against him by the flow of acres from the basic crops into the production of hay and pasture and feed which encourages an increase in the production of dairy products.

Mr. McINTIRE. Why then is this mechanism of contractual relationship between the Government and the producer of the inequity, visited on the basic commodity group? I mean the producer of the other commodities have surplus problems, too.

Mr. SHUMAN. In the case of the conservation reserve part of the soil bank, of course, it isn't restricted to the basic crops. It is open to all cropland.

The experience with the perishable and nonstorable commodities, at least those that could not be stored for long periods of time, was a very drastic failure.

For instance, in the case of potatoes we had a large accumulation of stocks and since they could not be held they had to be destroyed.

Mr. McINTIRE. Let me ask if I am correct in saying that the approach of the soil bank to the management of production is entirely different than the example that you have just cited?

Mr. SHUMAN. That is correct.

Mr. McINTIRE. That being so, why isn't this point of equity just as applicable to producers of some others, inasmuch as you are coming around with an entirely different approach to this management problem?

Mr. SHUMAN. I am sorry, I misinterpreted the point you are getting at.

Mr. McINTIRE. I might make the observation that you follow a very typical pattern in that you just cite the situation which existed without recognizing that the approach is entirely different. You draw that example out of history without recognizing that we are approaching the management problem entirely differently.

Mr. SHUMAN. I would agree almost entirely with your thought because our position on the soil bank was not in favor of this idea of a special contract for the withdrawal or the addition of acreage from the basic crops.

Our original position, and it remains the same now, is that we favor an across-the-board withdrawal of acreage from the soil depleting or the cropping acreage of the farm, and not tying it to the basic crops.

So we have favored a soil-bank plan which would treat everyone alike, basic and nonbasic.

Mr. McINTIRE. Insofar as to attain the objective the Farm Bureau would not be opposed to broaden the application of the acreage reserve features of the soil bank to include other commodities which can appropriately be considered on base acreages.

Mr. SHUMAN. We would not favor adding nonbasics to the acreage reserve. We would simply make one type of soil bank.

Mr. McINTIRE. That is the acreage reserve legislation that we are talking about right now.

And would your position be that you would be in favor of basing these base acreages on the principle that other crops have?

Mr. SHUMAN. We would rather back up and change the whole approach from the acreage reserve over to an across-the-board treatment of everyone alike and the only additional thing we would do would be to require those that get price supports to participate in the soil bank.

Mr. McINTIRE. Thank you.

Mr. POAGE. While I do not want it understood that I entirely agree with all of the conclusions that were reached, I do understand Mr. Shuman suggests two basic problems that have created the unfortunate situation we have, and they are, first, that we supported the price at relatively a high price and that has encouraged more production of these commodities than we wanted.

And, next, we have allowed diverted acres to be used for other crops. That has created aggravating problems in other areas of production. That is about correct?

Mr. SHUMAN. That is right.

Mr. POAGE. As I understand it, if we passed the present pending bill or any of them relating to corn alone we aggravate both of those situations rather than alleviate them.

I want to see if you will not agree that I am right.

In the first place, these bills will certainly increase the production payments to corn growers because it is intended that they should. It is agreed that corn farmers cannot and will not cut down to 37½ million acres, but if we leave them at 51 million acres, certainly there will be a great deal more payment to corn growers, won't there?

Mr. McINTIRE. Yes.

Mr. POAGE. That would seem to indicate that based upon that objection alone that the bills are unworthy of our support.

As we divert acres to go into crops like cotton and wheat, we divert acres into substitutes, into feed grains, into noncommercial corn and yet the bill as presented to us would in no wise make any provision whatever for alleviating that situation.

Whereas, on the other hand, the suggestion that we go across the board would almost completely cure that so far as basic crops are concerned, wouldn't it?

Mr. McINTIRE. Of course, Mr. Chairman, the bill as was outlined has much broader application than the bill that is before us.

Of course, it would have a broader impact within this area.

If I understand the bills correctly such acreage as was taken out of corn will not go into these other feed grains.

Mr. POAGE. You are referring simply to the corn bill alone?

Mr. McINTIRE. That is right.

Mr. POAGE. That is correct. It could not, of course, go into feed grains of any kind. But has it not been primarily the acres taken out of corn that we find causing trouble? It has been the acres taken out of wheat and cotton that have been planted in either noncommercial corn, some of which is now becoming commercial corn—or in one of the other feed grains—that is the basis of the feeling that we are in a really critical situation in corn.

And yet none of the bills introduced on corn alone would touch that in the slightest, would they?

Mr. McINTIRE. They are not intended to.

Mr. POAGE. And yet the bill that enlarges soil bank opportunities as we propose, would go right to the heart of that difficulty.

Mr. McINTIRE. I expect it would. The point was, I understand, that we are dealing with a situation as of 1957 right now. The proposition that you have outlined proposes to be retroactive in its general effect and go back and pick up some of these acres which have gone into these supplemental feed grains—historically gone in—and draw those back out and put them over into the soil bank.

Of course, the outline as has been presented is broader, but I think our problem, Mr. Chairman, is to make a determination, that is the committee's responsibility, of course, to make a determination whether we will make retroactive legislation here in relation to the use of acres that have gone into other crops, or whether we are going to deal with a current situation on corn.

Mr. POAGE. Obviously we hope and the people in the Department hope to get tremendous compliance in wheat into the soil bank. That is not retroactive.

Mr. McINTIRE. To the extent that the acreage had gone in as between a new base and the current quota, that much would be pulled out and it would be somewhat retroactive in this case.

Mr. POAGE. It would relieve the future situation. It would not relieve any former situation. It will relieve the future situation because if there is any basis for the formula—I think there is—it is because, as Mr. Shuman pointed out, we have a tremendous amount of corn on hand and of feed grains and the two must be considered together.

And our supply is substantially larger than the prospective demand.

And this bill says we will reduce to some extent the prospective supplies of corn. And to the extent that you try to make it retroactive because it would relieve the past situation, to that extent it might be.

We think that it will not only reduce the prospective supply of corn, but of feed grains because if you leave no controls on feed grains, there are men in this room who will rent more land and plant it all to feed grains.

If we are going to cut the production of corn, and going to do nothing about feed grains, I understand full well that we will not achieve anything in the way of bringing about this feed-livestock balance.

Mr. HARVEY. Without prejudice, let me say that it was Mr. McLain's theory, as I understood it, that the conservation reserve would meet the situation so far as the surplus of supplemental grains was concerned.

Mr. POAGE. At \$7 or \$8 an acre.

Mr. JOHNSON. Isn't it true you can take the same type of land—and I think that applies to McIntire and myself both—we have areas where there is not too much corn—you can take the same type of land and put it into the acreage reserve and you will get so much an acre and if you put it in the conservation reserve you get a lot less. Isn't that correct—exactly the same land? You will get one price—different prices in each.

Mr. HARVEY. Yes. That is true.

Mr. JOHNSON. What is fair about that?

Mr. HARVEY. Again, without prejudice, it was designed, as I gathered the philosophy last year, on the basis that we are going to rent the land and take it out of production for the least money that we can.

Mr. POAGE. If Mr. McLain's philosophy was correct, then you agree that it is very foolish to pass any bill, because if by simply offering the farmer the opportunity to put his land into conservation reserve, you are going to achieve the necessary reduction, then you do not need to offer the corn farmer \$43 an acre through the acreage reserve—put it in the conservation reserve and get \$9 or \$10 for it and achieve all that you would by passage of the bill.

Mr. HARVEY. I would be most reluctant to plead for Mr. McLain on that.

Mr. SCHUMAN. I would like to make this statement, that the discussion here is in very substantial support of our position which was that there should not be a differential between conservation reserve and acreage reserve, but that there should be one soil-bank type of contribution made from the crop acres and that the payment should be graduated in accordance with the quality of productiveness of the land, and that the only relation to the basic crops would be that in order to participate in a Government price-support operation the farmer be required to make his contribution to the soil bank.

That was our approach and has been, and still is, our approach to it.

This discussion seems to bear right on that and support our contention.

Mr. JOHNSON. I am finished.

Mr. HARRISON. With respect to the thing that has been proposed here, I am wondering whether or not at that point of time we would establish the base acreage for cotton and peanuts and rice and these other commodities as they have been established for corn at this particular time. Have they already been established?

Mr. POAGE. Base acreage? All we have to do is to take the same percentage reduction from your history that you take for corn.

You can take 15 percent reduction from the history of 60 million on corn and it would give you 51 million acres.

And if you take 15 percent reduction on cotton from 25.4 which I believe was right, it would give you about 21 million acres.

All you have to do is to make the calculation from history, taking the same percentage reduction to get that.

Mr. HARRISON. Does this present problems that we could overcome before an emergency program for corn could be established?

Mr. SHUMAN. I think it would be unrealistic to think that it would be possible to write and get acceptance of an overall farm program, making basic changes as have been suggested here; despite the fact that we are in substantial agreement with some of the objectives, it would be absolutely impossible in our judgment to get agreement on them in time to take care of the corn situation this year.

Therefore, we would favor a corn bill such as we have testified we are in favor of and then go immediately into discussion of the continuing program for all commodities.

When it was made effective, if it was adopted this time, and in this session, it could be made effective as a replacement for the corn program for subsequent years.

Mr. HARRISON. I think we are all agreed, too, that the problem has been created in corn because of these diverted acres in other sections of the country and until we solve that problem we will not solve the corn problem.

Mr. POAGE. Will you yield?

In that connection, would you go far enough if we followed the policy that you suggested to include a specific provision requiring the Department of Agriculture to accept any acres in these other crops that did not get the advantage of the special treatment, to accept diverted acres from them this year on the normal production basis and not on some estimated yield, like they did last year?

Mr. SHUMAN. I would not be able to say, "Yes" or "No" whether we would, because this is getting into an area we have not discussed and have not had a chance to go into.

Mr. POAGE. The principle would be fair, wouldn't it?

Mr. SHUMAN. It would be in the right direction, yes.

Mr. HARRISON. Since the referendum was circulated in corn, and it was more or less turned down, even though 61½ percent did not vote for the acreage program, would it be fair to offer an alternative.

Maybe there are those farmers who voted for this allotment program and in the cases of many, such as South Dakota and North Dakota, would you give an alternative of adhering to the allotment program and then letting the other farmers who are in agreement with the acreage reserve program, to let them participate in that?

Mr. SHUMAN. That suggestion is very interesting, Congressman, because it has come to us from several sources, namely, that we ask for a very simple bill which would provide that the States that voted for the allotments would have the allotment program, and the States that voted for the base-acreage plan would have the base acreage plan.

This would let Minnesota have the allotment program, for instance, and Indiana, Mr. Harvey, would have the base acreage plan.

Of course, that would not be fair to the individual farmers in those States. Yet your suggestion of alternatives has great merit, I think.

Mr. HARRISON. Letting the farmer make his choice to determine whether he wants the allotment program with the higher support or the base-acreage program.

Mr. SHUMAN. That suggestion has a great deal of merit.

Mr. HARRISON. Let me ask another question. I know that you have given some thought to this over the period of time that we have had the program.

With our disposal program as we have at the present time, and with the increase in our domestic consumption, how long in your estimate do you think we are going to have to adhere to this control program? How long will it be before we get into a free agriculture where the farmer will be free to plant what he wants to, when he wants to?

I am sure that is the objective of the Farm Bureau.

Mr. SHUMAN. Yes. It is so stated in our resolutions this year that our objective is to move toward the freeing of the farmers from control and doing away with price-fixing devices.

Any estimate that I would make as to the time required would, of course, be little more than a guess. The anticipated carryover of corn this year would be in September approximately 1½ billion

bushels, and if we took corn, probably, we could get out from under that situation relatively rapidly if the incentives to increase other feed crops is somewhat reduced.

I would think that it is possible that we would be out of it within 3 or 4 years in corn.

In the case of wheat, it is a little more difficult because this large surplus, much of it has to go into export sales and in competition with many other countries. It may take 5 to 7 years. Bear in mind I am guessing.

We might move rather rapidly in the case of feed crops toward balance, but somewhat less rapidly in others.

However, experience with this year's subsidized export program was such as to give us encouragement that in some cases it may not take as long as we had first estimated.

Mr. HARRISON. With these incentives, from the standpoint of basics, I can see very plainly—I have a great deal of sympathy for these people who are not in the basics, wanting to get some of these soil-bank payments, that there is an incentive for them to come in, and if we move in the direction of all of these, I can see that will go on and on and on, it would be my opinion at the present time.

Thank you.

Mr. POAGE. Mr. Jones.

Mr. JONES. I want to see if I understood you correctly. In commenting on this corn program and the bills which you have approved here today, you say that is a temporary and expedient plan.

Mr. SHUMAN. Yes.

Mr. JONES. Now, having observed the way that Congress legislates and the way that the administration acts, how long do you think it would be if we passed this corn bill alone before Congress would be in a mood to try to attack and to put these other commodities on the same basis that you indicate is equitable for corn?

Mr. SHUMAN. Well, of course, it is very hazardous to speculate on the mood of Congress, as you know. It might be completed this session since we are 1 year removed from the congressional campaign year.

We would be very much in favor of trying to get action this year after the corn bill has been disposed of.

Mr. JONES. Don't you think that the other commodities would stand a much better chance of achieving the same equitable treatment that you say that corn needs if we passed all of this legislation at the same time?

Mr. SHUMAN. Well, I do not believe so, really, because I think that if the corn legislation was passed first, then the incentive will be upon the Congress to pass similar type of legislation for all of the others.

Mr. JONES. Would some of the incentive be lost if we take care of the corn farmer first?

Mr. SHUMAN. Personally, I do not think so. I think it would be intensified because farmers themselves would see that here is a chance. If we get into a long, drawn-out debate as to what form the overall legislation takes, then we may not get it adopted this session.

Mr. JONES. What is the reason or why do we not treat all corn alike?

Mr. SHUMAN. Well, this goes back to the original price-support legislation where commercial and noncommercial areas were designated.

At that time perhaps there was good reason. Actually, today I see little reason if areas are allowed to compete on the basis of sound economics.

Mr. JONES. That is what I am getting at. Is there any real reason today why corn should not be corn and treated as such?

Mr. SHUMAN. We have no organizational policy against the differentiation.

From my own observation I see little reason why there should be a different treatment if the Government does not interfere with natural economic advantages.

Mr. JONES. Thank you.

Mr. SMITH. What do you think is the basic prime reason why we have a surplus of corn? Is it more scientific feed, weather, or diverted acres?

Mr. SHUMAN. Congressman, it is a combination of many factors, these that you mention plus some others.

I would hesitate to pick any one out as most important, although at the top of my list I would place the Government programs as being the one most important factor.

Mr. SMITH. And I believe you testified awhile ago that each of these basic crops you see down the road ahead that it is possible for us to get back on a free market?

Mr. SHUMAN. Yes, sir, I believe it is.

Mr. SMITH. Has any thought ever been given by your organization to try to figure out if we could work out a formula by which we would have that as the objective and pay so much to the farmers such as a 30 percent bonus, the next year 20 percent, the next year 10 percent and then after that they were on a free market again, what I think every farmer wants.

Mr. SHUMAN. We have a resolution that the delegates adopted which said that we should go into a study of a program with the objective of getting to a relatively free market.

I would say that we have not studied your approach to a long-term program. We have studied some of the various steps that might be taken for getting to a relatively free market.

We have not completed an overall study.

Mr. SMITH. Do you think that there is any merit to the proposition that as long as we have to have this monstrosity of Government programs, to try to work out a program that says to the wheat farmer of the High Plains area, "You are going to do this with your acres"?

The fallacy around this committee and all over the country is that if we raise too much wheat, "Why don't you plant diverted"?

Of course, you can't divert it. Wheat is the only crop that you can grow. We can't grow milo in the area I am talking about which is in wheat. It is wheat with us or nothing else.

It seems to me that if we are going to use this club on the American farmer that it is high time that we take and give some consideration to saying that to the very section of the country, like down in Mr. Poage's district, places down there where he cannot grow anything else but wheat. He can grow milo because he has not got the frost hazards that we have.

Why not try to work out something on a basis like that and say to each area, "If you are going to use the club, let us be scientific about it and be logical about it."

I know that most laws are not logical. I think that is something that you can think about.

Mr. SHUMAN. We certainly agree with you that this is a very serious problem, especially in the one-crop areas, and we recognize that.

As you point out, the quota on wheat has, in some cases, simply shifted the acreage of wheat out of the area that can produce it, and nothing else very profitably, over to another area where other things can be produced probably more economically, except for Government price supports.

Mr. SMITH. That is all.

Mr. POAGE. Mr. Hagen.

Mr. HAGEN. Mr. Shuman, what is the cost of producing corn for an average reasonably efficient grower?

Mr. SHUMAN. The cost of producing corn, of course, is a figure that varies a great deal from one farm to another or from one area to another.

I think I am going to have to search my memory to pick up a figure—I do not recall now. I saw some cost of production studies in Illinois recently, but I believe they were on corn farms where the average production was in excess of 70 bushels per acre, and the cost under those conditions was somewhat less than 80 cents a bushel. But I cannot give you an exact figure.

This cost of production figure would vary tremendously in accordance with the area, and the productivity of the land. Also from year to year on the same farm under the same management.

Mr. HAGEN. The total cost on those farms was 80 cents a bushel?

Mr. SHUMAN. I think it was less than 80 cents, but I can't recall that.

Mr. HAGEN. So what would that translate in percentage of parity?

Mr. SHUMAN. I cannot in my mind figure what that would be of parity at the present time.

Mr. HAGEN. At the present time the support price is \$1.36, is it not?

Mr. SHUMAN. \$1.36 was the announced support level on this referendum with acreage allotments of 371⅓ million acres.

Mr. HAGEN. That would be about 82 percent of parity.

Mr. SHUMAN. That is about 77.

Mr. HAGEN. 77?

Mr. SHUMAN. Yes.

Mr. HAGEN. Isn't it a fact that most corn goes into meat?

Mr. SHUMAN. Meat or milk, eggs, poultry.

Mr. HAGEN. And high protein foods—thus there is a fairly elastic demand—if the price is low, the demand goes up?

Mr. SHUMAN. Yes.

Mr. HAGEN. And if you kept the price of corn at a realistic figure, there would be a reasonable prospect that the demand for the end product would increase and that your market would increase?

Mr. SHUMAN. That has been the basis for our position.

Mr. HAGEN. Thus corn is different from wheat?

Mr. SHUMAN. To a certain extent.

Mr. HAGEN. You might anticipate that a more realistic price for corn would increase demand and would create an opportunity for an increase in the corn market?

Mr. SHUMAN. That is why in answer to the Congressman's question on the length of time, I expressed the opinion, at least, that the adjustment would be made more rapidly with corn than with wheat.

Of course, we must bear in mind that normally, before we had price fixing activities, more of the wheat crop was fed.

If we got back to a normal disposition of wheat, by getting a free market back into nearer complete operation, then we could expect the consumption of wheat for feed to go up materially and it would help adjust the situation.

Mr. HAGEN. Have you ever had a substantial export market for corn?

Mr. SHUMAN. Not in relation to the total corn crop. Corn has never been too important an export crop. There is some question as to whether it ever will be an important export crop.

The type of corn we produce in the United States is not in as much demand in European countries as corn from some other area. It does not stand ocean shipment too well.

Mr. HAGEN. Have we had a substantial export market for livestock products?

Mr. SHUMAN. Not substantial. I do believe there is a good possibility to develop an increased export market for many livestock products.

One particular product that I would like to mention is lard. We at one time did sell much lard and a great deal of tallow abroad.

I think we could regain a large export market for lard if we really worked at it.

Mr. HAGEN. What about the price?

Mr. SHUMAN. Not so much in this case a price as it is good merchandising.

Mr. HAGEN. At a lower price?

Mr. SHUMAN. No, through negotiating with foreign countries to permit our lard to come in and also improvement of the quality. We have a big job to do in the case of lard to regain the market.

Mr. HAGEN. That is all.

Mr. POAGE. Thank you very much, Mr. Shuman. We appreciate your appearance.

Mr. SHUMAN. Thank you, Mr. Chairman. We appreciate very much the opportunity. The questions were excellent. With some of the ideas developed here. I think we have a month's study to go over them.

Mr. POAGE. I think we made progress this morning.

Mr. SHUMAN. I do too. And I thank you for the thoughts expressed here.

Mr. POAGE. I beg your pardon. Mr. Tewes, do you have some questions?

Mr. TEWES. I have no questions.

Thank you.

Mr. POAGE. We will adjourn then until 2 this afternoon, at which time the Farmers Union will be on the stand. And then Monday morning, Mr. McLain will be back from the Department. We will not have a witness Saturday.

(Whereupon, at 12:15 p. m., the committee recessed, to reconvene at 2 o'clock p. m., this day.)

AFTERNOON SESSION

Mr. POAGE (presiding). The committee will please come to order.

We are here for further consideration of farm legislation. This afternoon we have representatives of the Farmers Union.

The Farmers Union was ready to testify and expected to testify on yesterday, and, of course, we ran over longer than we had anticipated with departmental witnesses.

I know that the Farmers Union has always been in favor of giving the same kind of treatment to all major crops.

I believe that is right, isn't it, Mr. Baker?

Mr. BAKER. That is correct.

Mr. POAGE. I am going to ask Mrs. Knutson to introduce one of our witnesses today.

Mrs. KNUTSON. Mr. Chairman, I would like to introduce Mr. Edwin P. Christianson, who is the president of the Farmers Union in the State of Minnesota, and not only is he that, but he is also from Polk County in my Ninth Congressional District.

Ed Christianson's home county has a membership of over 1,500 farm families, and that is more than any other county in the entire State.

I am proud of this outstanding citizen from Minnesota who is so dedicated to his work to make life and living better for our farm families everywhere.

Under Mr. Christianson's leadership, Mr. Chairman, the Minnesota Farmers Union has grown to be the leading farm organization with more than 40,000 farm family memberships.

Ed Christianson's constructive and pertinent testimony before this committee has always made him a welcome witness, and I can say the same for Mr. John Baker, and I am very happy to have both of you here.

Mr. POAGE. Thank you, Mrs. Knutson.

Mrs. KNUTSON. We are delighted to have you here.

I don't know which one wants to proceed.

Mr. BAKER. I have a brief prepared statement, Mr. Chairman, and then I am going to call on Mr. Christianson to add to and elaborate on the prepared statement.

Mr. POAGE. All right, sir.

STATEMENT OF J. A. BAKER, COORDINATOR OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION; ACCOMPANIED BY EDWIN P. CHRISTIANSON, MEMBER, EXECUTIVE COMMITTEE AND PRESIDENT, MINNESOTA FARMERS UNION; AND RALPH BRADLEY, MEMBER, EXECUTIVE COMMITTEE, AND PRESIDENT, ILLINOIS FARMERS UNION

Mr. BAKER. As always, Mr. Chairman, we appreciate your inviting us to present to you our views on proposed improvements in the Federal legislation relating to corn, feed grains and livestock. I am privileged this morning to bring you the statement of President James G. Patton of National Farmers Union.

One of the most encouraging developments in the history of National Farmers Union has been our growth in the Corn Belt States

in recent years. Everyone knows the importance of the Corn Belt in the total agricultural picture, but it is also important because the opponents of the farm program have sought to put commodity against commodity and farmers of one area against farmers of another in order to dismantle the entire program.

Our activity in the Corn Belt has helped to offset this divisive operation. The members of Farmers Union all over the country have never been closer together and have never been more united than they are today. I am also pleased to report that there have never been so many of them as there are today.

The basic principles adopted by our last convention, with participation of delegates from the corn, feed grain and livestock producing areas, still stand as a beacon in the dark night of farm policy.

The principles which we adopted are still the ones that hold hope for pulling farmers out of the depression in which they have been pushed over the past 4 years and for restoring farmers to a place at the first table economically.

If these principles were now in effect there would be no 1957 corn problem and no need for your committee to be considering emergency legislation.

As members of this committee know, our Farmers Union principles can be thought of in four general sections—income improvement, increased consumption, credit, and protection from economic consequences of natural disaster such as drought.

Although I know you to be generally familiar with our general position and many of you to be favorable to it, I wish to take a few moments to summarize it briefly because we feel that any emergency farm bill you recommend should incorporate as many of these principles as you feel are relevant to the proposal for corn.

We have recommended a comprehensive program for improvement of farm income, any part of which would help, but all of which should be used in various workable combinations. Through the devices of crop loans, direct payments, acreage adjustments and direct purchase of crops in temporary surplus, this Nation can have a managed abundance.

The farmers of America have indeed produced abundance for our own people and for needs in world emergencies, but we have not yet learned to live with our abundance, or, to put it another way, we have not yet learned to manage it.

Recent rosy predictions of farm income increases unfortunately have a tendency to make the rest of the population feel that the mere fact that farm income is rising means that farmers are doing all right. This is a cruel hoax, for American farm family income in 1956 was only 45 percent or less of a true parity of income as defined in the Agricultural Act of 1938, as amended.

We must not let the increase of a fraction divert attention from the fact that even the point from which farm income has fallen was not a fair level. And remember increase in farm income predicted for 1957 is a direct result of your insistence last year that the 105 percent of support sales price policy of CCC be preserved.

Net farm income in 1952 was \$15.1 billion. This sounds much better than the \$11.7 billion for last year. But even in 1952 farmers got only 52 percent of income parity.

While we watch the index of farm prices, the index of farm costs and the parity ratio rise or fall 1 or 2 percent a month, most people lose sight of the fact that farm income was allowed to drop to little over 41 percent of income parity.

This stakes out the job we have in recovering lost ground and gaining the position which farmers should have in the Nation's economy. While Congress and the administration debate, for example, whether corn should be supported at 90 percent or 82 percent or 75 percent of parity, the hard fact remains that corn is selling at only \$1.22 per bushel, whereas it would have to sell for \$2.41 a bushel to bring parity of income.

This illustrates why National Farmers Union is urging Congress to rewrite the parity formula so as to measure in degrees of parity of income instead of concentrating on parity of price.

A second part of the basic Farmers Union principles deals with the consumption of food and fiber produced on American farms. It is not generally realized how little consumption would have to be increased to make the so-called farm problem disappear.

We continue to support the national food allotment stamp plan which has been introduced in Congress many times. This would add \$2 billion to the demand for farm products, while raising farm family income \$4 billion and improving dietary standards.

Similarly, we could greatly increase and should the consumption of food by expanding the well-known school lunch program and the relatively new school milk program.

Enactment of legislation along these lines would be highly beneficial to corn, feed grain and livestock producers. But such programs probably could not now be placed into operation in time to have a major influence in 1957 crop year.

Around the world, we know that there are many millions of people who go to bed hungry every night. Our abundance could and should be used to help relieve human suffering, if in no other way; but it could also be used as part of a positive policy to win friends among those people for the free world.

Sharing our abundance with the people whom must decide whether to join the free world or the dictated world not only prevents waste of food and fiber, but it can back up enlightened foreign policies of democracies.

To help effectuate better distribution of the world abundance we again propose an International Raw Materials Bank in which those nations producing surpluses would deposit their products so that underproducing nations could withdraw them as conditions warranted. Similarly, we believe that international agreements should be negotiated in many commodities along the lines of the successful wheat agreement. The Agricultural Trade Development and Assistance Act should be improved and extended.

The third part of the Farmers Union program which I wish to emphasize today deals with adequate farm credit at reasonable rates. As all of us here know, credit is a tool of farm production and often a necessity of family living as well. This becomes more and more true as agriculture modernizes and requires larger amounts of machinery and other capital equipment.

The tightening of credit during a time of falling farm prices, increasing costs and recurrent drought is a vicious circle which must be

broken at some point. We propose to break this circle with all the credit farmers need, although we know that they also must have adequate incomes if the loans are to be repaid. We favor enactment of the Poage drought relief bill to provide a deferred grazing program and to add needed protein supplement to the drought ration.

This illustrates, in turn, why the Farmers Union sponsors an integrated farm program in which credit, conservation, electric power, crop insurance, price supports, etc., all fit together. But recently we have been sliding backward. In fact, the President of the United States used that term in his state of the Union message last week. He said:

I am gratified that the long slide in farm income has been halted and further improvement is in prospect.

I hope the President is right and I wish I could share his optimism, but I think it is significant that he referred to the "long slide in farm income," most of which occurred during a period of sliding-scale price supports.

We find ourselves boxed in by a sequence of events which has pulled down one price after another. We were told that high prices were causing surpluses so price supports of the basic commodities and feed grains were lowered as a means of reducing production. Instead we got greater production of these commodities, and we got lower prices for livestock.

It is now evident that lowering prices will not lower production. The sliding scale or flexible price support system has now demonstrated the failure which many of us feared would be the costly results of trying it.

Moreover the false promise of the sliding scale was used as an implement of cold warfare against the livestock producers of the country, who were told repeatedly that the high cost of feed was the trouble for beef, hog, dairy, and poultry producers. This had a superficial allure and many people fell for it, but cheap feed was followed by cheap livestock, just as sure as the night follows the day. We witnessed the entire agricultural economy pulled down to the lowest common denominator, instead of having the low commodities raised up toward anything approaching either parity of price or parity of income for farmers.

Singing the song of cheap feed and sliding price supports was one of the greatest disservices done to farmers. It will be many years before the damage is mended and we can reinstate the principle that the way to improve the farm economy is to raise its lowest segments, instead of pulling everyone down to the lowest level.

The National Farmers Union believes that corn, other feed grains and livestock should be dealt with together. This is not easy to do and it will require the constructive thinking of all of us, but it is the correct approach and the only constructive approach.

The farmers of the great Corn Belt find themselves in a most difficult spot this year. They wisely chose last month to reject the proposal that corn be stricken from the list of basic commodities and be put at the discretion of the Secretary of Agriculture, whomever he might be from time to time, to be supported at whatever level he might choose.

The Farmers Union is proud of having helped achieve that victory, but I think most of us know that farmers were choosing between the

lesser of two evils. The evil which now faces them as the result of a referendum in which they put their hope in Congress for improvement is a drastic cut in their acreage allotments for 1957 corn crop, together with a disastrously low price support level.

One of the biggest jobs ahead for all of us is to bring order out of this chaos. Even before the referendum, we endorsed the proposal of Senator Humphrey, as good a friend as American farmers ever had, to increase the allotment for corn to at least 49 million acres this year with supports on family farm production at not less than 90 percent of parity.

We know that this alone will not solve the underlying problem because it retains a system in which inequities have become built-in in the form of low historical bases for calculating individual allotments. But we face an emergency, and we must take emergency action.

There are other steps which must be taken, and to decide on the best of these Mr. Patton recently called together the Farmers Union leaders from the Corn Belt States to see what they felt could be done.

Looking forward to the occasion of this committee hearing we have carefully prepared the results of their thinking and wish to recommend it to you now as the minimum action we are convinced should be taken to meet the emergency confronting us.

First, we must have amendments to make the soil bank effective. I appeared before your committee earlier this year in support of several such amendments including several directly related to the corn problem. We urged that payments per acre in the acreage reserve of the soil bank should be raised to encourage widespread participation.

We also urged that corn in the noncommercial area and the other feed grains be made eligible to participate in the acreage reserve on an adequate basis. These steps would help substantially.

In addition, we urged a substantial raise in the existing \$10 per acre conservation reserve payment and inclusion of eligibility in the soil bank for pastureland.

Second, we continue to urge enactment of legislation to increase—corn acreage—allotments in the commercial area to at least 49 million acres.

Mr. POLK. Mr. Chairman, may I ask Mr. Baker how you arrive at the figure of 49 million acres?

I wonder if you could take time to explain that but I hate to interrupt your statement. I would like to get it into the record.

Mr. ANDRESEN. Will the gentleman yield on that point on the same thing?

Will you also give us the number of the bill introduced by Senator Humphrey?

Mr. BAKER. On Mr. Polk's question first, the 49 million acres, Mr. Chairman, comes from a calculation based on revising the definition of normal supply in the Agricultural Adjustment Act of 1938 as amended in the section dealing with definitions.

It is section 301 of the Agricultural Adjustment Act as amended.

The normal supply of cotton for any marketing year, according to the law as written—

shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined plus the estimated exports of cotton for such marketing years plus 30 percent of such sum of such consumption and exports as an allowance for carryover.

The application of that same definition to corn would result in a 49-million-acre allotment for corn.

The 37-million-acre allotment for corn results in almost the same definition except for a carryover of 30 percent; present law has carryover in the case of corn of only 15 percent, which would provide only about a 5 weeks' supply of corn, whereas a 30-percent carryover factor would provide about a 3½-month supply of corn as a carryover, and corn is practically all consumed domestically, and as was brought out in hearings yesterday or the day before by one of the members of your committee, a 4 months' supply of corn, in view of the kind of drought you have had down in your part of the country and in Colorado, Mr. Poage, if you just happen to start worrying about what if a drought like that happened to hit the Corn Belt, a 4 months' carryover of corn or a 3-percent factor for carryover does not look like it is any too much.

Now, the exact calculations on most recent data I don't have from the Department.

It might come out with 48.5 or 49.5.

We did not get the most recent exact figures from the Department, but applying a 30-percent carryover to the definition of normal supply, and over in another part of the Agricultural Adjustment Act of 1938 it says that the acreage allotments shall be set at the number of acres in the commercial area, which added to the production in the noncommercial area, will provide a normal supply of corn.

MR. POAGE. Mr. Baker, in that connection the 30 percent which is the figure used in the cotton calculation is the highest now in use for any of the basic commodities; isn't it?

MR. BAKER. No, sir; the one for tobacco is 135 percent of normal years' domestic consumption and 65 percent of a normal year's exports.

Cotton, I believe, is the next highest. Wheat is 20 percent, I believe, and peanuts is 15.

MR. POAGE. I have no objection to using the top figure. I think it is perfectly fair, and I think it is perfectly fair that the corn people should have the same figure we have for cotton.

I see no objection in the world to it. That tobacco formula is a completely different formula obviously because it figures on 65 percent of the exports, doesn't it, which, of course, means that you have got a completely different formula for calculation; isn't that right?

MR. BAKER. I missed that, Mr. Poage.

MR. POAGE. I say the tobacco formula is actually based on a completely different conception.

MR. BAKER. That is correct; yes, sir.

MR. POAGE. So you cannot very well compare the carryover of tobacco with the carryover on the others?

MR. BAKER. That is correct; it is an 18-month crop rather than an annual crop.

MR. HOEVEN. Mr. Chairman, may I ask a question?

MR. BAKER. The bill referred to in Senator Humphrey's case, I don't remember the number. It was an amendment that he introduced in connection with the farm bill when it was before the Senate last year.

Then during the course of the referendum, he again pledged his efforts to bring about the enactment of that bill or amendment.

MR. ANDRESEN. The bill has not actually been introduced in this session.

Mr. BAKER. Not to my knowledge.

Mr. ANDRESEN. Do I understand you then that the Farmers Union prefers 49 million acres of corn in the commercial area instead of the 51 million as provided in the bills before the committee?

Mr. BAKER. Mr. Chairman, we think it is a more realistic figure. Now let me explain what I mean by that.

The most recent research, both by the Department of Agriculture economists and in the land-grant colleges, including the University of Minnesota, indicates that the inelasticity of total food at the consumer level as such, that if you have 1 percent too much, it has an effect of cutting the price received by farmers by 6, 7, or even 10 percent.

A 1 percent too much supply will just simply knock prices clear down. Some economists even say that the 10 percent is a conservative estimate.

I prefer to say 6, 7, or even 10, because 10 to 1 is an awful pry pole. It can be used as a pry pole to raise farm income if we do it the way we have been trying for 20 years, or it can be used as an awful heavy club to beat farmers right down to their economic knees by producing 1 or 2 or 3 percent too much, because a 3-percent oversupply of total farm food commodities would mean an 18-percent cut in prices received by farmers for all food.

Now each individual commodity where you can substitute commodities for each other have somewhat greater elasticity, but you run immediately into this problem of lower prices for hogs which ultimately means lower prices for cattle and lower prices for cattle ultimately means lower prices for lambs and lower prices for broilers.

Mr. ANDRESEN. Does the Farmers Union have any method whereby they can predict the size of any crop at this time or what the weather will be?

Mr. BAKER. No, sir.

Mr. HOEVEN. Mr. Baker, I believe you will agree with me that the correct corn acreage allotment is a rather debatable question. In some quarters they are advocating 56 million acres.

Mr. BAKER. I heard a rumor yesterday that somebody was considering 56.

Mr. HOEVEN. Now which figure is correct?

Mr. BAKER. I heard yesterday somebody was thinking seriously of suggesting a 56 million acreage allotment for corn in the commercial areas.

Mr. HOEVEN. That has been advocated.

Mr. BAKER. That I think would be unwise not only for—

Mr. HOEVEN. Do you think 51 million would be right?

Department regulations should give sufficient latitude to county committees in distribution of increased allotments to handle these problems.

Fourth, the price support for corn both inside and outside the so-called commercial area should be raised immediately to a national average of \$1.60 a bushel, and the other feed grains provided with acreage allotments similar to revised commercial corn allotments.

Fifth, a system of premium payments for marketing livestock at lighter and more desirable weights should be instituted to increase the income of livestock producers, to stabilize the marketing of live-

stock, and to properly tie feed grains together with livestock at a higher level.

Sixth, milk producers should be authorized to vote in a referendum whether they wish to adopt marketing quotas with more adequate supports than existing minimums. In addition, we urge adoption of legislation along the lines of the Albert, Johnson, and Dixon bills to include pasture and grazing land in the conservation and acreage reserves.

These are emergency programs, but we are in an emergency. As a result of shortsighted farm policy, there is a prospect for a flood of corn and other feed grains this year at a disastrously low price. The economic impact of this will be disastrous to corn producers and will spread in turn like a virus throughout the other feed grains and will reach into the livestock industry, pulling millions of farmers even further down.

Mr. BAKER. If we are going to try to keep a support program where it is workable, or by the same token try to give farmers a chance to use the same things that General Motors, United States Steel, and the rest of them use, of withholding supply to maintain price and profit, if we are going to try to let farmers use that same device, we have got to be smart enough and be self-disciplined enough to use it.

Now I am like you. I have had extreme difficulty in finding out what is the correct historic acreage of corn in the so-called commercial corn area.

I understand that it is in the neighborhood of 58 million acres.

I have considerable difficulty in finding out, but I understand it is somewhat close to 58 million acres, and that is the figure that in this year we would be comparing 51, 49, or 37 with.

Mr. POAGE. Mr. Baker, I think perhaps you might complete your statement which may be the best way to get through.

Mr. BAKER. Third, any increase provided in corn allotments should be apportioned along two lines. Those who have cooperated in the past with acreage allotments should receive special consideration, as should those who have suffered inequities such as having extremely low histories of acreage planted in corn.

The latter recommendation alone should help small farmers whose allotments have been reduced to the point where they simply cannot cooperate with the program and get price support.

To head off a national calamity and to restore some income to farmers, these steps are the absolute minimum at this time; but meanwhile we must also keep our attention on the long-run goals for a healthy and prosperous agriculture.

We must continue to search for a permanent farm program which will meet the particular condition of each commodity without splitting it off from the total farm economy or set its producers at the throat of other producers.

Above all, we must establish the principle that farmers must have a parity of income. This will require looking beyond the temporary arguments about specific price levels of this commodity or that commodity and will require us to establish in farm policy the principle that no segment of the economy should be allowed to drag behind the others.

Returning specifically to the problem of corn produced in the so-called commercial area, may I say that we have made as careful a study

as we are capable of the economic research reports on the subject by the economists of the United States Department of Agriculture and the State experiment stations.

These research results make at least two points crystal clear: (1) Corn prices and income in the commercial area cannot adequately be considered separately from the production, prices, and income of corn for the noncommercial area and of the other feed grains—oats, sorghum grain, rye, and barley; and (2) feed-grain prices, production, and income cannot adequately be considered separately from the prices and income of hogs, cattle, milk, and poultry products.

Any lasting and satisfactory solution of the corn problem must also adequately deal with the other feed grains and livestock and its products. Our recommendations for a broadly based 1957 program reflect our convictions on this point.

One-shot panaceas or partial programs for corn in the commercial corn area will not be economically effective. They would build up more low farm income and commodity surplus problems than they will solve. The unfortunate 1956 corn program proves that.

All corn, other feed grains, oilseeds, and cattle, hogs, poultry, and milk must be considered together as a unit if lasting adequate solutions are to be expected to the income problems of any of them.

The economic interrelationships of these several commodities are such that the economic problems of corn producers in the commercial corn area cannot be solved adequately for corn producers nor fairly from the standpoint of other producers in isolation.

Nor do we ask that you give the corn, feed-grain, and livestock producers a better break than we are prepared to provide to all other farmers. Rather, we urge you to follow what we known to be your own convictions. Provide a fair and adequate program for the livestock-feed grain producers and even up all commodities. Don't even them all down to the same dead level of inadequacy.

We shall support and extend to your our cooperation in such an endeavor.

We are prepared to support your efforts to provide in feasible and workable ways for the different commodities the same farm income improvement legislative provisions that we have today specifically recommended for corn, other feed grains, milk, cattle, hogs, and poultry products, including the 10 recommended improvements in the conservation and acreage reserves I discussed with your committee on an earlier occasion.

A somewhat different but related question, adequate drought relief, has already been the subject of a communication directed to your committee by our executive committee. And I want to commend the committee for having already moved expeditiously, Mr. Chairman, to report that bill favorably to the House for consideration on Monday next.

And may I close by saying, Farmers Union still opposes the principle of cross-compliance between acreage allotment programs of unrelated commodities. We are convinced that a firm acreage allotment and income improvement program for sorghum grain, oats, barley, and rye should be established by law irrespective of whether the Secretary should announce a support program for noncompliance corn in the commercial area.

We are quite convinced that 70 percent of the price parity is much too low for commercial area corn. And 82½ percent of 70 percent, 57.75 percent of price parity, is so low as really to be ludicrous as a seriously intended support for corn in the noncommercial area.

The net effect of this would be to reduce all feeds other than corn to the same disastrously low 57¾ percent of price parity.

We again urge in what legislation you adopt that an upper limit be placed upon the extent of the eligibility of an individual farm family to participate in the income improvement programs. We have previously testified that the upper limit of such eligibility should reflect the volume of sales of an economically fully adequate family farm or the equivalent of approximately 15,000 to 18,000 bushels of corn or 10,000 bushels of wheat in whatever commodities the family sells.

We appreciate your consideration of our views.

I would like to call now on Mr. Edwin Christianson, member of our executive committee and president of the Minnesota Farmers Union, to extend these remarks in whatever way he see fit.

Mr. POAGE. Mr. Baker, I know members of the committee want to ask you some questions. I wonder if it would not be better procedure to have you answer some questions and then have Mr. Christianson make his statement and then discuss the matter with him.

Mr. BAKER. Fine.

Mr. POAGE. Before we do that, I would like to say to you that I appreciate your statement very much.

I think you have made a very sound and very constructive statement here and a fair statement that recognizes that this is not a problem that can be solved in a vacuum without consideration of the many related problems.

I am particularly happy to find you recognizing, as I think most of us recognize, that you can't solve the corn problem without solving the feed problem—that it is all a feed problem—and that corn is merely the most important single element of the feed problem, but that there are other elements, and that, as you well pointed out, a variation of as little as 1 percent can oftentimes completely disrupt what would otherwise be a workable program.

Mr. BAKER. Correct.

Mr. POAGE. If we are going to make that a workable program, and we hope that we can, isn't it absolutely essential that we give the producers of other basic commodities some way in which they can get out of this feed business on their diverted acres?

Do you see any way that you could solve this corn problem—corn aspect of the feed problem—as long as you give cotton and wheat growers no alternative as to their acres other than to plant them in feed?

Mr. BAKER. Mr. Chairman, I would reply to your question in a rather extended manner.

I made a little table that I think may be interesting to the committee, and I will try to go through this and point up the problem that you raised as it seems to us.

In the case of cotton, Mr. Chairman, the historic acreage 4 or 5 years before acreage-allotment programs were reimposed after World War II and the Korean war, was in the neighborhood of 27 million acres.

The acreage allotment of cotton was 17.3 million acres, or almost 10 million acres less, the entire cut of which must be taken—that is, a

10 million acre cut—it is completely unpaid as far as acreage reserve is concerned, and any cuts to get acreage reserve payments must come below the 17.3 million acres, and it is a voluntary program, not a mandatory one, to participate in acreage reserve.

In the case of wheat, the historic acreage was 78 million acres. The acreage allotment is 55 million acres, an unpaid cut of 23 million acres. The percentages in those 2 cases vary from 30 to 37 percent.

In the case of corn in the commercial area, as we were trying to establish a moment ago, the best I can determine the historic plantings of corn in the present or existing commercial corn area were approximately 58 million acres.

Existing law as is now in effect would require that 58 to be cut to 37, or a cut of 21 million acres, approximately up toward 40 percent, 37 or 38 percent.

Mr. POAGE. All exactly the same as taken on cotton?

Mr. BAKER. That is correct.

Now in response again to your question and coming to it in these terms, if you are thinking in terms of dividing this amount of cut between historic acreage and a realistic acreage allotment, and paying for part of it with acreage reserve payments and not paying for part of it, in the case of corn it is suggested that that cutoff acreage be in the neighborhood of 49 or 51 million acres.

In our case we suggested 49 as being the right figure. That means that the corn producer would take a 9 million acre unpaid cut from historic, and get paid for another 15 percent is our idea, that he would have to put another 15 percent in the acreage reserve, but he would get the \$40 an acre acreage reserve payments on that and any additional participation that he wanted to do voluntarily in the acreage reserve.

To do that same thing for cotton, and this is just some of my own hillbilly arithmetic, Mr. Poage, you have got a 10 million cut now in cotton.

Let's put it the same way there with corn.

Half of that, or 5 million, would be an unpaid cut, and then another 5 million that you would get acreage reserve payments on, or 22 million as a cutoff acreage here.

You could not plant more than your acreage allotment of 17, but you could get acreage reserve payments on 5 above that and then maybe if you want to require a mandatory cut below the 17 that you get acreage reserve payments on and then leave it open for a voluntary additional participation the same as just described for corn.

In the case of wheat, divide your 23 million acre cut. Take 11½ or 12 million acre cut that they do not get any acreage reserve payments for, and that would make this then 66 or 67 cutoff acreage for wheat, and the difference between 67 and the acreage allotment of 55, they would be eligible for acreage reserve payments on.

I don't have the similar figures for peanuts and rice and tobacco, but the same principle could be applied, and I have not calculated the figures on corn outside the commercial corn area and the other feed grains, but in our opinion if we are going to stay on top of this feed grain livestock situation, we are going to have to apply this same type of program to the other feed grains and corn outside the commercial area.

Mr. Claude Wickard, formerly Secretary of Agriculture, made the statement in the course of a speech the other day in which he was dis-

cussing the same history that you and Mr. Andresen were this morning, about how the Agricultural Act of 1938 came about, and how the designation of a commercial corn area got written into the law.

He makes a statement that now, with the widespread increase both in corn production all over the country, including the thing that Mr. Hill mentioned yesterday about 200-bushel-an-acre corn in Colorado, and the increased production of all other kinds of feed grains including oilseeds outside the commercial corn area, it is becoming more and more difficult for a commercial corn area to carry the entire shock and reduction necessary to provide production and marketing adjustments, needed production and marketing adjustments in the livestock feed grain area.

I did not intend to spend quite that much time in answering your question.

Mr. POAGE. I agree with you entirely that the commercial corn area should not have to carry all of that burden, and we believe that by proposing a program very similar to that which you have outlined there, we can relieve the commercial corn area of carrying all that burden, and I don't know any way you can take that burden off the commercial corn area except by a program somewhat comparable to that which you outlined and several of us have outlined heretofore in the discussions.

Mr. BAKER. Before you agree with me too much, Mr. Poage, I want to add one more statement.

We think if you have this kind of program, it is not necessary to eliminate the price-support program for basic commodities, nor to cut the minimum support level out from under milk, tung nuts, honey, and wool.

Mr. POAGE. Certainly I don't think it is either.

Mr. BAKER. There was a little thought here this morning that you had to tie these things together and you could not have this kind of program that I just outlined unless you were willing to accept full flexibility as a price-support principle.

Mr. POAGE. I don't see that we need anything except to do for the other commodities just what is being proposed to be done for corn here, and I don't understand that the Andresen bill takes the support out from under corn.

Mr. BAKER. No, sir; it does not, thank goodness.

Mr. POAGE. And I don't see that there is any reason for taking the support out from under corn nor out from under wheat nor out from under cotton.

Mr. BAKER. I was not referring to Mr. Andresen's bill, Mr. Poage. I was referring to Mr. McLain and Mr. Benson's bill and to the comments of the witness this morning.

I am glad to be relieved that neither you nor anyone else was buying this full flexibility business.

Mr. POAGE. Certainly all I am asking is to apply to these other commodities the same kind of program that it is suggested here that we apply to corn.

I don't think anybody on this committee has bought the idea that we will accept what the corn farmers turned down, and it is obvious that what the corn farmers fought against was the lack of any supports.

Mr. BAKER. That is correct.

May I interrupt there?

Mr. POAGE. Yes.

Mr. BAKER. I want to add one thing to what you said the corn farmers were voting on. The fact that there were as many corn farmers voted for this very unworkable acreage allotment and price-support program—that enough of them voted for that that it had the referendum turn out the way it did under the legal rules was that that many corn farmers and a lot of their neighbors had faith in this committee and in the Congress to get this thing straightened out without abolishing corn as a basic commodity.

Mr. POAGE. I think the committee recognizes that, so I don't think we find ourselves far apart. Even so your figures were slightly different from those that I had.

Your base figures were slightly different from those that were available to me. I don't claim that mine are correct, but the principle that you outlined for all of these commodities is exactly the principle that I have sought.

Mr. BAKER. I think so, Mr. Chairman.

Mrs. KNUTSON. Mr. Chairman, would you yield?

Mr. POAGE. I yield.

Mrs. KNUTSON. I have one question and this is the place for it.

Assuming that our committee feels that we just cannot get a price-support level better than 75 percent past a Presidential veto, how do you think this committee can make sure that we have been fair and just to the producers of the different commodities such as wheat and cotton and hogs and cattle, and what about the corn outside the commercial areas, like rye, oats, and barley?

It seems to me, Mr. Baker, that a chart or outline would be very helpful to us.

Mr. BAKER. I will be glad to supply it for the record, Mrs. Knutson, in table form—what I went over in reply to Mr. Poage's question.

(The document referred to is as follows:)

Application of same principle to all commodities¹

[Million acres]

Commodity	Wheat		Cotton		Commercial corn		Peanuts, rice, total other feed grains ²
Historic acreage before allotments-----	78		27		58		-----
	Existing law	Proposal	Existing law	Proposal	Existing law	Proposal	
Unpaid cut below historic acreage-----	23	11	10	5	21	9	-----
Cutoff acreage-----	55	67	17	22	37	49	-----
Acreage reserve paid cut below historic acreage-----	0	12	0	5	0	9	-----
Acreage allotment-----	55	55	17	17	37	40	-----
Voluntary cuts paid from acreage reserve below allotments--	(3)	(3)	(3)	(3)	(3)	(3)	-----

¹ Participation in programs will be increased at price-support level and per acre payment is at more adequate levels than now in force.

² Same principle applied to corn outside commercial area and other feed grains, to potatoes, and to the other basics; peanuts, rice, and tobacco.

³ Voluntary.

Mr. BAKER. Let me also say in response to your question, I don't know whether the President will or will not veto anything above 75 percent.

I would hope that he would not and I would hope that Congress would give him a chance to decide.

I thought he would not last year and he did. The judgment of all of you is better than mine on that subject.

I firmly think that as a result of the history of the last 12 months if no other, that the President will not veto a bill that has got 75 percent in it.

I just cannot believe that he would.

Mr. POAGE. Will you give us your opinion on this.

You recognize and we recognize that it is important to get that legislation without undue delay. I think we are in agreement on that; aren't we?

Mr. BAKER. Yes, sir.

Mr. POAGE. It is a fact that we have a support scale that you did not approve of and I did not approve of and that we don't approve of today, because I think it is a ridiculously low support program, but it is the law.

Can't we then agree that in the future if we try to get this bill through promptly, that we had better not invite a row over the support level in this legislation?

I am just as ready as I have been to support 90 percent but I don't like to tie it into this legislation when we try to pass this legislation, which I want to do.

Mr. BAKER. Mr. Chairman, I am not going to argue with you about that. You know we think that even 90 percent of price parity is not near enough. If you don't put in for cutting these other things though, this middle ground cutoff acreage, with possibly even higher acreage payments under the acreage reserve—

Mr. POAGE. I am sorry?

Mr. BAKER. If you don't install something like this cutoff acreage between the acreage allotment level and the historic acreage so as to have more acreage reserve payments, and in our opinion a higher per acre reserve payment even for corn and certainly for all of the other commodities, I am afraid that with only a 75-percent support level, you won't have enough incentive in the case of corn for them to participate in the acreage-allotment program.

Mr. POAGE. I am afraid that you are going to put me in a position of apparently opposing one of the things that has been closest to my heart, but I cannot see how we can be realistic and suggest that we both want this legislation passed promptly and at the same time say that we want to inject the old fight about the level of supports into the bill, because I think if I know anything that I know that that fight can extend forever.

Mr. BAKER. Mr. Chairman, as I told you a moment ago about how the corn farmers felt when they voted in the referendum, they had felt in the judgment of you gentlemen on things like that, I have got the same faith that the more than one-third that voted that caused the referendum to come out the way it did, I have faith in your combined judgment on that subject.

If we send something through that won't pass, we don't have anything.

Mr. POAGE. That is right.

Mr. BAKER. If we send something through that gets vetoed, all of us know that we cannot pass it over a veto.

Mr. POAGE. That is right.

Mr. BAKER. Now your judgment on where to set that between 75 and 100 percent of parity is better than mine, and I am willing to put our case in your hands on that subject.

Mr. POAGE. Thank you.

Mr. ANDRESEN. Mr. Chairman?

Mr. POAGE. Yes, Mr. Andresen.

Mr. ANDRESEN. I want to clear up a couple of points in my mind, Mr. Baker, before you conclude your presentation.

I have taken this corn situation as one of emergency, and I believe you have recognized that in your statement.

Mr. BAKER. Yes, sir.

Mr. ANDRESEN. That action should be taken now, and if not taken, the farmers in the commercial corn area will wind up with a very small acreage allotment.

Mr. BAKER. They have 37 million acres.

The same cut from their historic acreage that wheat producers and cotton producers have already taken——

Mr. ANDRESEN. I am not speaking of corn now.

I want to get your understanding of how you feel about the corn situation.

You have suggested certain other things that should be done in connection with consideration of this emergency bill, in order to keep the income on the feed grains and livestock and poultry.

Would you prefer not to have any legislation at all if we did not take these other items into consideration in the emergency legislation?

Mr. BAKER. Mr. Chairman, Mr. Andresen, from both an economic standpoint and a parliamentary standpoint, my guess is that it is impossible to get an emergency corn commercial area legislation adopted.

Mr. ANDRESEN. Of course I have not had the experience that you have had.

Mr. BAKER. Nor one that will work.

Wait a minute, let me go on here.

As I went to great pains in my statement to point out, you cannot solve the commercial corn problem in a workable way from the standpoint of the sheer economics of it, without including corn outside the commercial corn area, feed grains and livestock.

Mr. ANDRESEN. In other words, I take it from your statement that unless we consider the points that you have now mentioned, that we will have no emergency bill passed during the present Congress?

Mr. BAKER. Mr. Chairman, I think probably that the corn producers that we know recognize first that these other commodities are also in an emergency situation, that many of them in other areas of the country have even earlier planting dates than does corn in the main commercial corn area, that legislation for these other commodities is just as much in a hurry as is legislation for corn.

I think they also recognize, as Patrick Henry or one of his colleagues said a long time ago in our national history, just as sure as we start

letting these things get split up and apart in each other, and we start trying to hang separately, we are going to hang together.

Mr. ANDRESEN. You recognize this, that we only have a few weeks before the corn planting season will start, and that prompt action must be taken both by the House and the Senate.

Mr. BAKER. Yes, sir.

Mr. ANDRESEN. Getting together on any kind of a bill before it can do any good?

Mr. BAKER. Yes, sir, I do.

Mr. ANDRESEN. I don't know what the legislative situation will be, but this committee is the beginning of whether it is emergency or permanent legislation on any subject over which we have any jurisdiction.

Mr. BAKER. Mr. Andresen, what we propose is a 1-year emergency program to producers of all commodities to apply to the crop year of 1957, taking into consideration the economics of the whole complex of feed grain and livestock and fairness to producers of commodities outside of feed grain and livestock, so that you will have a good 1957 program, even though it is an emergency program with the same principles applied in workable ways to each of them.

As long as it is the same principle applied to each commodity, there is no reason why it would take it any longer to go through Congress that I can see if it has got 5 commodities or 8 covered than if it just has corn in the commercial corn area.

The fact is, it might go through much easier.

Mr. ANDRESEN. After you have had the legislative experience that I have had, it does not go as easy as that.

Mr. BAKER. I have not had anything like the legislative experience that you have had even from the standpoint of observation.

Mr. ANDRESEN. We passed a bill here in the spring or late winter of 1953, and the Senate waited a whole year to take that bill up for consideration.

We wanted action on it. We reported it out here at the beginning of the 83d Congress. Instead it sat in the other body for nearly a year before they took the bill up at all.

Mr. BAKER. That still is not a justification, though, Mr. Andresen, and you know that you know it is not, to put through a bill that is only a partial solution, and that is unfair to numbers of other people not covered by the bill.

Mr. ANDRESEN. As I understand you, in order to consider this emergency corn situation, you think we should take no action unless we consider the whole problem?

Mr. BAKER. I think that is right, yes, sir; and I very strongly urge you to take the desirable and necessary action.

Mr. ANDRESEN. That answers my question in that respect.

Mr. BAKER. I am going to ask Ed later on when he has made his statement to say what he thinks the corn producers of Minnesota feel about that question.

Mr. ANDRESEN. I am anxious to hear him on that.

Now just one other question. You have mentioned that you are not satisfied with the floor price of a minimum of 75 percent of parity which is set in my bill, having a range beginning with 75 and with no ceiling—

Mr. BAKER. I might say right there also, Mr. Andresen, I know of my own knowledge that outside the particular legislative complex that

we are in at the beginning of this year, that you are not satisfied with 75 percent either because you have been working for 90 percent for a long time.

MR. ANDRESEN. I know that, but we are dealing with a practical situation here. As I recollect it, prior to the time that the referendum was taken on December 11, your organization out in the Midwest particularly stressed that the Secretary could reduce the support price on corn down to zero?

MR. BAKER. Full flexibility; yes, sir.

MR. ANDRESEN. And I am convinced that a good many farmers did not vote for the base acreage in the referendum because of that very fact.

MR. BAKER. I think so; yes, sir.

MR. ANDRESEN. My bill seeks to establish a floor of not less than 75 percent of parity and not zero.

Are you against establishing a floor of 75 percent of parity for corn?

MR. BAKER. Mr. Andresen, we think 75 percent as a mandatory minimum floor is just an awful lot better than having no floor at all.

MR. ANDRESEN. It is mandatory?

MR. BAKER. You misunderstood me, Mr. Andresen. I am trying to answer this favorably to you. To have a floor of 75 percent is a lot better than having no floor at all.

MR. ANDRESEN. That is the purpose of my bill. It says not less than 75 percent of parity as a floor.

MR. BAKER. That is correct, and that is a lot better than having no floor at all.

MR. ANDRESEN. And you would favor that portion of the bill?

MR. BAKER. No, sir; we don't favor 75 percent over 90 percent. We don't even favor 75 over 82½, but we do favor 75 as being better than no floor at all.

MR. ANDRESEN. We have to try to get together on that.

MR. JONES. Will the gentleman just yield for one question?

I want to ask you a question. Where did you get the 51 million acre figure?

MR. ANDRESEN. That figure of 51 million acres was agreed to in conference in the bill last year.

MR. JONES. As of when?

MR. ANDRESEN. As being the acreage for the commercial corn area.

MR. JONES. It never had been that, had it?

MR. ANDRESEN. Oh, yes; in 1956.

MR. JONES. You mean the planted acreage in 1956?

MR. ANDRESEN. There were more planted acres, but 56 million acres were proposed to be the corn acreage allotment for the commercial corn area.

The conferees finally agreed on the 51 million acres and that was in the law that was passed that the President did approve, so that figure was taken here.

MR. BAKER. But if applied last year to a different set of counties and a different set of farms than the 51 applies to this year, am I correct?

MR. ANDRESEN. The commercial corn area—

MR. BAKER. But the commercial corn area is a different geographic area now than it was last year; is that right?

Mr. ANDRESEN. Personally I think probably the whole country ought to be in the commercial corn area wherever they can raise corn.

Mr. BAKER. We agree on that, Mr. Andresen.

That is what we proposed, as a matter of fact.

Mr. ANDRESEN. You say that the minimum price supports should be 90 percent of parity.

Mr. BAKER. Ninety percent is better than 75. Ninety percent is better than full flexibility.

Mr. ANDRESEN. But you do agree that not less than 75 percent is better than no floor at all?

Mr. BAKER. Yes, sir.

Mr. ANDRESEN. That is all.

Mr. POAGE. Mr. Gathings?

Mr. GATHINGS. No questions.

Mr. POAGE. May I point out in connection with that action on the conference committee last year, actually that 51 million acres was based upon allotted acres of corn of I believe 42 or 43 million acres?

Mr. BAKER. Forty-three.

Mr. POAGE. In other words, there was a corn allotment in 1956 which was approximately 43 million acres, and in consequence he has fixed this farm base acreage at 51 million acres which is actually 7 million acres above the allotment.

The allotment for this year is 37½ million acres, for whatever it is worth.

I don't mean to draw any conclusions from it.

Mr. JONES. I was trying to bring out, in other words, the allotment on the commercial area had never been that high, and the allotment in this proposed bill goes up to 51, which is higher than has ever been allotted in a commercial area.

Mr. POAGE. I think 51 was merely the best trade we could make.

Mr. ANDRESEN. It was a compromise and it became the law.

Mr. POAGE. So far as I know, it was not based on anything except a matter of at what figure could you pass the bill, and that is the way we are going to pass this one.

Mr. ANDRESEN. Isn't that the way we agree on legislation?

Mr. POAGE. That is right, of course it is, but I mean it is not based on any production figure or anything of that kind.

It is just purely a compromise as I understood it.

If there are no questions, Mr. Baker, we are very much obliged to you for another constructive and helpful presentation, and we will now be happy to hear from your associate.

STATEMENT OF EDWIN P. CHRISTIANSON, MEMBER, EXECUTIVE COMMITTEE

Mr. CHRISTIANSON. Mr. Chairman and members of the committee, I have no prepared statement, and most of the notes that I have have been somewhat covered by the discussion with Mr. Baker.

However, in addition to supporting the statement of the National Farmers Union that was presented by Mr. Baker, I would like to point out the emergency that the corn farmers find themselves in in my State of Minnesota.

In Minnesota corn is a basic crop and we have an annual volume of about 330 million bushels, making a dollar figure of around \$500 million a year in our State.

The administration's corn bill, if adopted, would reduce gross farm income to the corn farmers in Minnesota this year, in 1957, about \$75 million, as compared with 1956.

Even if we have 75 percent of parity support figure, if that is substituted for the 70 percent, it would still leave the corn farmers in our State short about \$49 million gross corn farm income, as compared to a year ago.

Our farmers indicated by their vote in the corn referendum, voting 75.5 percent in favor of allotments and to hold corn as a basic commodity, that they did have confidence in this committee and the Congress to establish the price instead of the Secretary of Agriculture.

I believe our farmers in Minnesota would feel that if an agreement cannot be reached in this committee and in this session of Congress for something better than 70 or 75 percent, that they would hope that this committee might promote or suggest legislation that would tie in identically with the legislation that was granted us or the bill that was granted us a year ago by administrative action, \$1.50 for corn on 51 million, and \$1.25 on the corn in the other acres.

The reason I say this is because there has been some discussion as to the possibility of getting by a veto if you raise the price above 70 percent as a corn parity figure, and if there is some doubt about getting by a veto, then why not put on the desk of the President the identical thing that he proposed and wrote out for corn a year ago, because we are in the same emergency as we were at that time.

I have no further statement on it, as I say, I did not have a prepared statement.

I made some notes and I just commented off the cuff.

Mr. POAGE. We are delighted to have your comments Mr. Christianson, and we are delighted to have you with us.

One point I think I understand but I don't want it to be misunderstood when you said we have exactly the same thing that we had last year.

Surely you did not mean that we should continue the kind of program we had last year with no change in it.

Surely you would agree, would you not, with Mr. Baker that we ought to take into consideration the feed-grain situation and the necessities of the other basic crops as they relate to corn and the control program.

Mr. CHRISTIANSON. Certainly, Mr. Chairman, I am in full agreement. I support the statement, but I merely was sitting here and I was thinking about the argument that let's not get it up too high because of a veto.

I do not subscribe to that argument because, after all, if that was the argument against getting a price of 90 percent of parity, then I believe we should face up with the same proposition as a year ago.

Mr. POAGE. Maybe I misunderstood you again.

Do you mean that we should try to pass here, if we could, a proposal that sends to the President a bill requiring 90-percent supports, as we did a year ago when we got a veto?

Mr. CHRISTIANSON. No. I guess I did not make myself clear.

Mr. POAGE. If we do not do anything about price, if we leave the law as it stands today, the support will be from 75 percent up to 90.

We know it will be 75 percent of course, but it will be what is called flexible supports, flexible always falling at the bottom. It will be the 75.

Mr. CHRISTIANSON. On 37½ million acres.

Mr. POAGE. Well, if we went far enough to do what Mr. Andresen suggested and what everybody else that I know of who has talked about this thing, we would then establish the existing supports, whatever they might be, and if we leave it as it is it would be the 75, we would establish them for any corn grower who complied with his farm base, which would be based on the 51 or the 49 million acres, provided he had placed as much as 15 percent in the soil bank.

Mr. CHRISTIANSON. That is right.

Mr. POAGE. Which would actually bring him down to about a 43-million-acre base, wouldn't it?

Mr. CHRISTIANSON. That is correct.

Mr. POAGE. Now if we do that, you will have substantial compliance in the Corn Belt, won't you?

Mr. CHRISTIANSON. The compliance in Minnesota I am fearful will be limited if the price support is not more than 75 percent of parity.

Mr. POAGE. I am afraid of that too, but would you suggest that we take the risk of having no bill in order to raise the support price?

I am not arguing that point.

I merely think it is something we have got to decide here.

Mr. CHRISTIANSON. That is right.

Mr. POAGE. I think it is clear that the majority of the membership agree with you that the support price should be higher because we voted that way. I now understand you to say that we had better go ahead and not bother with the support price if we think that by changing the support price we will jeopardize the whole bill, is that right, or am I misquoting you?

Mr. CHRISTIANSON. Will you repeat that again?

Mr. POAGE. If I understand you—and I just want to get it clear because honestly I did not understand what you meant, but if I understand you—you are saying that as long as you are assuring us of 75 percent support, if the members of the committee feel that 75 can go through and we can get a bill, but that the 90 percent cannot go through, then we had better try to get a bill giving you——

Mr. ALBERT. Mr. Chairman, that is not what he said.

Mr. POAGE. I don't know what he said, Mr. Albert.

Mr. ALBERT. What he said is that we should write a bill that will give the commercial growers in compliance \$1.50 a bushel whatever percentage that may be and \$1.25 to the rest of them; isn't that what you said?

Mr. CHRISTIANSON. I said I meant that as a last measure in trying to arrive at something for the corn farmer.

Mr. POAGE. Do I now understand that your recommendation is that if we cannot get a bill through here that supports corn at \$1.50 you would rather not have one?

Mr. CHRISTIANSON. No.

Mr. ALBERT. He said surely the President will sign that because that was his program last year.

Mr. POAGE. You think, in other words, that the President will sign a bill supporting corn at \$1.50?

Mr. CHRISTIANSON. I just brought that out as a recourse to the argument that I heard that it would be no need to try and go beyond 75 percent of parity because of a veto.

Personally I believe that this committee in their discussions after the hearings will come up with something that will be practical and acceptable, so that we might get our farmers in Minnesota to comply with the allotment program.

Mr. POAGE. Thank you.

Mr. Andresen?

Mr. ANDRESEN. I am sure you recognize the emergency that exists in the corn areas of Minnesota with reference to this small acreage allotment?

Mr. CHRISTIANSON. That is right.

Mr. ANDRESEN. And I believe you also recognize that something must be done for the interests of the farmers, even though everything that we might secure here will not be satisfactory?

Mr. CHRISTIANSON. Correct.

Mr. ANDRESEN. Now this piece of legislation that I have introduced and that is supported by a good many on this committee is an emergency piece of legislation.

It is not attempting to go into the whole farm program but it is solely adopted to solve this critical situation which exists in the corn area where the acreage is fixed at around 37 million acres.

I think every member of the committee will agree they want to get good farm income to all of our farmers.

I think we have demonstrated that time and again. But we are dealing with realities here.

Do you feel that we should go ahead and secure the passage of my bill or a similar bill fixing a floor at not less—get this now—at not less than 75 percent of parity, or should we leave the law as it is so that it would be from zero to 90 percent?

Mr. CHRISTIANSON. No; I am sure that our farmers in Minnesota would favor at least having a floor of 75 percent.

Mr. ANDRESEN. That is what my bill says.

It does not say it is fixed at 75 percent. It says that not less than 75 percent, so I don't want you to misconstrue that, that it means 75 percent, because it does give discretion to the Secretary over and above to fix it at whatever figure he wants to offer and above 75 percent, but he cannot go below 75 percent.

Do you understand that?

Mr. CHRISTIANSON. Yes; I understand your bill.

Mr. ANDRESEN. Thank you.

I won't have any argument with you on the 49 million acres and the 51 million acres, because I want to get the highest acreage where we can get compliance, where the farmers can get the benefit of whatever support is fixed, and also take their part in the soil bank.

Whether that will succeed or not I don't know but I would like to see it tried out.

As you know, last year we produced the biggest crop of corn and the biggest grain and soybean crop that we have ever had in the history of Minnesota.

Mr. CHRISTIANSON. Correct.

Mr. ANDRESEN. And that was due not to legislation. That was due to the right kind of weather over which we can't legislate here. Do you have any method whereby you can predict what the crop will be of corn this year or what the weather will be?

Mr. CHRISTIANSON. Of course not.

Mr. ANDRESEN. So we have to take a chance on that, and we can't legislate on it.

Have you now any estimates as to what the corn crop will be in Minnesota for the year 1957?

Mr. CHRISTIANSON. I do not.

Mr. ANDRESEN. You are then just primarily discussing with us a matter of principle of fixing the support price high enough so that we can get income to the farmers and adequate production?

Mr. CHRISTIANSON. And in compliance with a program that all farmers are interested or should be interested in.

Mr. ANDRESEN. I am glad to hear you say that you are in favor of a floor of not less than 75 percent as against no floor at all, because I remember very distinctly that in the campaign on the referendum before the vote was taken, why you were telling the farmer, your organization was telling the farmers, that they might get no support whatsoever; isn't that correct?

Mr. CHRISTIANSON. That is correct, and that was the law.

Mr. BAKER. Mr. Chairman, could I interrupt to urge the attention of the committee to a bill that was rather recently introduced as a bill in the House on this subject.

It is Mr. McGovern's bill to provide for corn-acreage allotments.

In your consideration, there are various aspects of that that have the legislative language to put certain parts of these recommendations into effect, and I just urge you to give it at least a careful reading in the course of your considerations.

Mr. ANDRESEN. To which bill are you referring, Mr. Baker?

Mr. BAKER. Sir, I don't have the number before me at the moment.

Mr. ANDRESEN. Who introduced it?

Mr. BAKER. Mr. McGovern of South Dakota.

Mr. POAGE. Mr. Hill.

Mr. HILL. Am I correct in addressing my questions to Mr. Christianson of Minnesota?

Now let me ask you this, sir. You mentioned the farm vote, and I have a table before me which was presented this morning about the percentage of votes.

Let me ask you, do you give considerable weight to that vote? Do you think that vote really showed you or gave you more light than you had before?

Mr. CHRISTIANSON. Yes; I believe the vote has a definite indication of the feeling of the corn farmers in my State.

Mr. HILL. The next question, what percent of the commercial farm operators voted in that program, do you have an idea?

Mr. CHRISTIANSON. I do not have that figure.

Mr. HILL. Have you ever heard what that was, high, low, half or what?

I had better tell you because I am looking at the table, and the way I see it, it is less than 10 percent.

Ten percent of 56 million acres or 51 would be 10,000, and the way I figure it up here, the total is only 437,000 farms represented.

Mr. CHRISTIANSON. Are you talking about Minnesota?

Mr. HILL. No, sir; I should say not.

They did not vote any higher than a few other States.

I am talking about the total vote, there was only 437,400.

Mr. CHRISTIANSON. Minnesota voted—

Mr. HILL. How many votes did Minnesota actually cast?

Mr. CHRISTIANSON. Over 35,000 votes.

Mr. HILL. Let's see if you have got that right for Minnesota. Minnesota acreage represented, total votes cast were 46,434.

I am just reading off of the table, the total votes cast.

Mr. ANDRESEN. Will you excuse me, Mr. Hill, for interrupting?

Mr. HILL. I said total votes cast.

(Off the record.)

Mr. HILL. Let's get it straight.

Listen to this: Here is the thing that would make you screwy if you studied this table.

Let me ask you this. Tell me this. Why would 50.9 percent in the State of Virginia favor base acreage program, and 94.6 percent in West Virginia, which was a part of Virginia prior to the Civil War, vote in favor of the thing?

I just cannot understand this sheet at all.

Mr. POAGE. Would the gentleman yield there to give you an answer on that West Virginia and Virginia situation?

In Virginia there are a whole lot of basic crops.

In Virginia they have practically all of the basic crops, and people are familiar with acreage allotments.

In West Virginia there are practically no allotted acres in the entire State, and the people are not familiar with them. The people that have had experience with the acreage allotments and marketing quotas voted for it, and those that have not had any experience voted against it.

Mr. HILL. Since you know that let's us see if you know this. I am talking to the witness though.

In Iowa there were 86,907 voted and 59½ percent of that large corn area voted in favor of the base acreage program.

Does that mean anything when only 40 percent voted against it, and then come down to the State of Minnesota and you only had about half as many vote, and 23.6 voted for the base acreage control.

Now what was going on in that election?

Mr. CHRISTIANSON. After all, the reason we have a lighter vote in Mannesota, of course we have less corn farmers in Minnesota than Iowa does.

Mr. HILL. Listen, I checked up on that vote to show you that it is a Stenvenson's vote.

I am just looking right at it and trying to read this correctly. Percent favoring acreage allotment, close to 75 percent. The States were—and I numbered them—Minnesota voted 76.4; North Dokota voted 71.5; that is third; the second one was South Dokota, voted 73.2.

That is all that were up in the 75-percent bracket. All the other States dropped down in the fifties, and from 16 down to 5 percent.

It just does not show anything. I think they just went and voted as they pleased, which is their privilege.

But remember after you count it all up it says 61.5 voted for it.

Mr. CHRISTIANSON. In other words, don't you think the referendum had any value at all?

Mr. HILL. If it does it shows that they are in favor of the base acreage program by 60 percent.

I am just asking. You make us eat our corn. That is how nice you treat the folks where I live.

You say if you want to grow corn, fine, you have got to eat it.

We will give you no base acreage. We are entirely out of the commercial area. Whatever corn you grow you feed. I don't mean us but the cattle eat it all or most of it. I don't see how that shows anything, and that is what I ask you.

Mr. CHRISTIANSON. It sure does to us.

Mr. HILL. What does it show you?

Mr. CHRISTIANSON. It shows us in Minnesota that the farmers wanted to stay with the allotments and keep corn as a basic commodity.

Mr. HILL. Only 5 States that show anything near 75 percent.

Mr. CHRISTIANSON. But it does show so in Minnesota.

Mr. HILL. What are the corn States?

Certainly not Minnesota. If you leave out Illinois, Indiana, and Iowa.

Practically 600 percent of the farmers in Iowa voted to keep the base control. I can't read anything into that.

Mr. CHRISTIANSON. Minnesota is one of the corn States.

Mr. HILL. That is only one State.

Mr. CHRISTIANSON. Yes.

Mr. HILL. You will agree Iowa voted 86,000 farmers and Minnesota only 46,000.

Mr. CHRISTIANSON. I can't speak for Iowa, but I know Minnesota farmers wanted the allotment and to keep corn as a basic commodity.

Mr. HILL. Yes, but a big State like Iowa voting 60 percent and Indiana voting 74 and Illinois voting 80, you don't put your State above those 3, do you, and they stay right in there at 75 to 80.

I can't understand it.

Now the chairman is not able to tell me about that.

Mr. CHRISTIANSON. I, of course, am not familiar with the attitude of the vote in the other States except looking at the figures, and I have them before me. But when I quoted the problem in Minnesota or alerted you to the problem in Minnesota, naturally I am speaking because of the attitude of the Minnesota corn farmers.

Mr. HILL. You are just speaking for Minnesota and not for the corn farmers?

Mr. CHRISTIANSON. The Minnesota corn farmers?

Mr. HILL. That is right.

Mr. CHRISTIANSON. That is right.

Mr. HILL. But not for the corn farmers. If you were speaking for the corn farmers you would say you were for the basic acreage control.

Mr. CHRISTIANSON. Not over the United States.

Mr. HILL. Sixty-one percent is the total.

Mr. CHRISTIANSON. I brought out the figures for Minnesota.

Mr. HILL. What I am trying to get you to say is that the farmers that voted, 61 percent of them supported the basic acreage control, 61 percent.

You are just talking about Minnesota and that is the thing I can't understand, why 1 State would go so far off base, or 3 States, and the rest of them want to stay put.

Mr. POAGE. The record speaks for itself as to what they did. I do not think there is any question in the record about it.

Mr. HILL. I have just one last question.

I would just like to get the argument on both sides on this corn business, because I think there is a compromise maybe that I can see in there, because I represent a State that we could not put any acreage in the soil bank even, we could not put any beets in acreage control, we could not put any beans in the acreage control.

In the acreage reserve soil-bank program in Colorado we could not put anything in except wheat.

Talk about you being treated unfairly, it is us and not you fellows at all.

The question I was going to ask— if you want to go screwy you just read this—here is the question.

Don't you think there was an actual campaign made in some of these States to win this corn vote the way certain people wanted it?

Now say "Yes" or "No," and then I will quit. You would not say that there was not any program like that.

Mr. CHRISTIANSON. Let me answer it in this way.

In Minnesota we carried on a definite program of information, and we have the literature to back up the point that I am making.

It was a piece of material that actually brought out the problem to the corn farmer.

Mr. HILL. And then you said that just a certain part of the farmers made this campaign?

Mr. CHRISTIANSON. I did not get you.

Mr. HILL. I mean that a certain party would do what you were trying to do.

Mr. CHRISTIANSON. No; we did not in the Minnesota Farmers Union.

Mr. HILL. The point I am making is if every State had carried on a campaign like you did, they probably would have shown 75 percent not in favor of the basic acreage controls, is that right?

Mr. CHRISTIANSON. No. I believe that the farmer has a right to get both versions of a picture.

In a lot of States there was no organization there to bring him the other side of the picture at all.

Mr. HILL. Except the ones that the chairman mentioned a while ago where it was another reason why they did not vote for it, in Virginia and West Virginia, so after all, you come to the conclusion that if you go out and put on a campaign you can win.

Otherwise you do not get any votes.

Mr. POAGE. Mr. Matthews?

Mrs. Knutson?

Mr. Smith?

Mr. SMITH. I want to address my question to Mr. Baker. Being new on this committee, I have been accustomed to having people come before us and say they are statisticians and accountants fiddling around with a Phi Beta Kappa key on their belt.

Mr. POAGE. We don't have that with our witnesses, Mr. Smith.

Mr. SMITH. I am just about to say that I understand coordinates. I can understand and I want to compliment Mr. Baker for being factual and putting it out in language that we can understand.

Now in view of that fact I wish you would give me your best judgment as to how many acres that would be planted to corn in a normal year in noncommercial areas.

Mr. BAKER. In the noncommercial areas?

Mr. SMITH. Yes.

Mr. BAKER. I would have to check.

I don't have it on the tip of my tongue. I think I can find it.

Mr. SMITH. You are acquainted with putting out facts here. Don't look it up. Tell me what percentage you think it would be of corn acreage actually planted in noncommercial of the total acres of planted corn.

Mr. BAKER. What is the total acreage of corn of the United States? Can someone give me that figure right quick?

Mr. HARVEY. Approximately 76 million acres.

Mr. BAKER. That would be 58 from 76 would be 18, wouldn't it? Seventeen is about 20 percent.

Mr. SMITH. For every 8 acres of corn we have in commercial we have 20 acres of noncommercial.

Mr. CHRISTIANSON. Just about.

Mr. Harvey is an expert on this subject, Mr. Smith, and I depend on his figures.

Last year there were about 57 million in the commercial area as now constituted, and about 22 million outside the commercial area of corn planted.

Those yields are somewhat lower, Mr. Smith, but as Mr. Hill pointed out, with 200 bushels per acre in Colorado they are not enough to justify differences between commercial and noncommercial areas, particularly in view of the other feed grains, as you know.

I substantiate the point you are making with your question.

Mr. SMITH. Of course one of the factors in this noncommercial area is that many of those noncommercial acres will probably be found in scanty rainfall areas where the hazards of weather is a little more than it is in Iowa, Minnesota, Indiana, and in the Central West.

Mr. BAKER. This is correct.

In the entire Central Plains States, while you and I are discussing this, Mr. Smith, I want to commend your very blunt and equally understandable use of words in one of your questions earlier today, when you wondered why we used the club approach on some commodities and the incentive approach on the others?

Mr. SMITH. Dollar incentive on the others?

Mr. BAKER. This program, if it is going to stand up parliamenterarily and economically, has got to be fair to all commodities, wheat, cotton, corn inside and outside the corn area, cotton, rice, tobacco, peanuts, people that produce milk for a living, people that raise cattle and feed them, people that raise hogs and feed pigs and all of the other family farmers of the United States, because all you do is to chase economics.

You just chase your surplus and low-income problems around from one group of farmers to another on a constantly descending spiral.

Politically if they split us all up and start us fighting each other, it is just what those in the farm program do not want to do.

I want to say, sir, you have just joined a very select group of some of the most wonderful folks in the world when you became a member of this committee, and I hope that you will not in the least regret going and leaving your Phi Beta Kappas away, but us folks over here do think we understand what the farm problem is.

MR. POAGE. For those kind remarks we will invite you back, Mr. Baker.

Did you have any more questions?

MR. SMITH. No; I have no more.

MR. POAGE. Mr. Tewes, do you have any questions?

MR. TEWES. I want to ask Mr. Christianson one question. That is on the vote of discretionary supports it seems to me it was indicated by the administration during the course of that balloting that approximately \$1.36 or something like that would remain, and historically had been true or there had not been a choice below 70 percent.

Then your organization went out and said very loudly that they theoretically could drop the supports to zero.

Do you think that is a factual presentation of the situation with the farmers when they vote?

MR. CHRISTIANSON. I do not think it should be hung on the organization as a whole this zero to 90 percent.

It is true that the law so reads, although our farmers in the information that we furnished them in the factual information sheet indicated to them that it was going to be supported at 70 percent of parity.

MR. POAGE. Is that all?

MR. TEWES. That is all.

MR. HAGEN. I would like to ask one question.

Mr. Baker, what do you calculate a reasonably efficient farmer could grow corn at and break even?

MR. BAKER. Mr. Hagen, there is not any answer to that question.

In the first place, what is breaking even?

Does that mean just barely staying out of the grave with just enough to eat and one cotton sheet piece of clothing like an Egyptian or are you talking about the same standard of living that one of your manufacturing workers in California is talking about?

MR. HAGEN. I am talking about getting a return equal to all the elements that go into the cost of production, including a reasonable depreciation and payment of interest on investment, and so forth.

MR. BAKER. Let me ask you this question then.

I think I can answer your question if you will give me enough assumptions to go on.

Would you say that the average profit made by the manufacturing industrial corporations of the United States last year is a fair return on capital investment and management?

MR. HAGEN. That has really got nothing to do with this. It is not a fair comparison.

MR. BAKER. We are trying to figure this out.

You said a break-even point, which is a cost of production. What is the break-even point cost of production for corn?

MR. HAGEN. Per bushel?

MR. BAKER. Per bushel, and to calculate that we need to know what is the return on investment that you have to make, and should

we use the 10 percent that was made by manufacturing industrial corporations last year. If we do, the next question we have got to ask is, What is a fair return to the labor that goes into farming?

Is it the 68 cents per hour that was the average United States pay per hour of hired farm laborers, is it the 35 cents an hour that you can hire sometimes imported labor for, or is it the \$3 an hour that a carpenter can make, and is a farmer worth as much as a carpenter or is he only worth as much as an imported Mexican laborer?

Our calculations show, to answer your question now, if you do this on a basis of treating the farmer the same way you do the manufacturer in an industrial corporation, and you pay him not what a carpenter or a bricklayer or a steelworker makes, just pay him the average of what all other workers are able to make per hour, the correct price for corn break-even point that you asked for is \$2.14 a bushel.

You will find that I think with one added calculation needed in the report submitted to your committee yesterday by the Secretary of Agriculture is calculated either by our formula or by the grains formula.

Mr. HAGEN. Corn has never been as high as \$2.14 a bushel; has it?

Mr. BAKER. Mr. Polk would know that better than I would. He sells corn.

Mr. POLK. It was during World War I.

I don't think it has been that high since.

Mr. BAKER. That is the point that you are making, Mr. Hagen, that farmers never have been able to earn a fair share of the national income even at the very best except a few years, as Mr. Polk pointed out, during World War I, and I appreciate your bringing that point into the record.

Mr. HAGEN. Actually, the problem is, if you give the Government assurance of a price which is guaranteed profitable, you create problems for farmers who are in the business.

Mr. BAKER. No, sir. The way we view it, if farmers were given the same governmental powers that bankers have through the Federal Reserve System, that railroads have through the Interstate Commerce Commission, that public utilities, electric and otherwise, have through their State and Federal regulating boards to set the price at cost plus a fair profit, and then not produce a pound or an ounce or a bushel or an automobile more than will sell at that price, if farmers had that authority, then there would not be any farm problem, nor would there be any cost on the Federal Treasury, nor would there be any accumulation of stocks in Commodity Credit Corporation warehouses.

Now, that is what the farm program has been trying to accomplish for 22 or 23 years.

It is what the basics under the Agricultural Adjustment Act of 1938, as amended, tried to get for themselves, was a device, and in tobacco it has worked, and if the rest of us could develop a program that has worked as well as tobacco and sugar we would, I think, be satisfied.

Mr. HAGEN. Well, I do not want to discuss this too much, but I do know that farming can be profitable, because I know fellows in my area, and elsewhere, that did not have a patch for the seat of their pants in 1940 and now they pay income taxes of \$1 million or \$2 mil-

lion, and for some reason they can make a big profit from farming. That is all I have to say.

Mr. BAKER. Well, Mr. Hagen, some of that is being able to hire domestic and migratory labor at prices per hour for which you would not want any of your children to work at, Mr. Hagen, as I have heard you say many times, and, as you know, as part of the statement I gave, we see no reason whatsoever in adding assistance through the Federal Government to improve the income above an adequate family farm, which is somewhere in the neighborhood of between 14,000 or 15,000 bushels of corn and 10,000 bushels of wheat.

Mr. POAGE. Thank you very much; we are very much obliged to you, Mr. Baker, and to you, Mr. Christianson.

Mr. BAKER. And thank you, Mr. Chairman, for letting us take up your Friday afternoon in order to get our views.

Mr. POAGE. Well, we want to hear your views—we want to hear all of your views in this matter.

Mr. McLain will not be back until Monday morning, but he will be here on Monday morning, and the committee will meet at 10 o'clock on Monday morning to continue these sessions, and we will hear Mr. McLain. Beyond that, I am not certain, but I see that the Grange wants to be heard and the Department wants to make a statement. Beyond that, I believe there are left only the authors of the bills, and the authors of the bills will be heard; they will be with us on Tuesday.

I hope that we can complete the hearings on Tuesday, but, of course, we do not know how fast we will move.

As I say, we will hear Mr. McLean on Monday, and on Tuesday we will hear the authors of the bills, and now the committee will stand adjourned until Monday morning at 10 o'clock.

(Whereupon, at 3:50 p. m., the hearing was adjourned, to reconvene at 10 a. m. Monday, February 4, 1957.)

ACERAGE RESERVE ALLOTMENT FOR CORN

MONDAY, FEBRUARY 4, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee resumed discussion at 11:30 a. m., in room 1310, New House Office Building, Hon. E. C. Gathings presiding.

Mr. GATHINGS (presiding). The committee will come to order. The chairman has asked me to inform you that in view of an urgent meeting he could not remain here longer. We will proceed with the testimony of Mr. McLain and his associates.

Mr. Harvey.

STATEMENT OF HON. MARVIN McLAIN, ASSISTANT SECRETARY;
ACCOMPANIED BY HOWARD DOGGETT, DIRECTOR, SOIL BANK
DIVISION, CSS; R. B. BEACH, ASSISTANT DEPUTY ADMINISTRATOR,
OPERATIONS, CSS; CLARENCE MILLER, ASSOCIATE ADMINISTRATOR,
CSS, UNITED STATES DEPARTMENT OF AGRICULTURE

Mr. HARVEY. May I say that the questions I was about to ask you, Mr. McLain, and your associates, some of those points that I thought I would ask about have been fairly well resolved during the previous questionings. However, there are some things that I think ought to be established as a factual matter on the record, and I am asking some of these questions for that express purpose.

First of all, would you give us the facts—and if you don't have them, perhaps one of those with you has:

First of all, what has been the total corn acreages during the past 10 years?

Mr. McLAIN. We have them here. Do you want the planted acres?

Mr. HARVEY. The harvested acres, beginning, say, in 1946.

Mr. BEACH. 87,585,000 acres.

Mr. GATHINGS. There is too much confusion, and Mr. Harvey wants to get these figures. You want them read into the record, Mr. Harvey?

Mr. HARVEY. Yes.

Mr. BEACH. For 1946, I will repeat, 87,585,000; 1947, 82,888,000; 1948, 84,778,000; 1949, 85,595,000; 1950, 81,818,000; 1951, 80,729,000; 1952, 80,940,000; 1953, 80,459,000—

Mr. HARVEY. Pardon me?

Mr. BEACH. 80,459,000; 1954, 80,186,000; 1955, 79,530,000; 1956, 75,950,000.

That is all corn harvested acreage.

Mr. JOHNSON. That is both commercial and noncommercial?

Mr. BEACH. That is all corn; yes, sir.

Mr. HARVEY. Thank you very kindly.

And isn't it a matter of record that the corn acreage, total corn acreage, has been gradually going down?

Mr. McLAIN. The high time in recent years was in 1944. We had 94 million acres. The low point was this last year, and we had 75 million acres.

Mr. HARVEY. I think the record will show that from 1932, when we had 103 million, that trend has been steadily down for the last 25 years.

Mr. McLAIN. That is correct.

Mr. HARVEY. While we have a decreasing acreage, the gradually increasing yields have kept the production of corn at a fairly stable level; isn't that correct?

Mr. McLAIN. That is correct.

Mr. HARVEY. While we have a corn-producing area so large, there is seldom a year when you do not have a drought or some other factor which has a tendency to reduce the yield in that particular area, and it has kept a pretty steady production.

Isn't it also true that at the same time we have had a substantial increase in the production, especially within the last 3 or 4 years, of supplemental feed grains?

Mr. McLAIN. Yes, sir.

Mr. HARVEY. How much within the past 4 years, how many million acres of feed, supplemental feed grains have we had?

Mr. McLAIN. Mr. Beach has those figures here, and he would be glad to read them for you.

Mr. BEACH. I have the figures here for oats, barley, and grain sorghums. You want to go back 4 years, you say?

Mr. HARVEY. Yes.

Mr. BEACH. This is oats: 1953, 37,536,000; 1954, 40,551,000—

Mr. GATHINGS. Just a minute. You are giving us a total of oats, barley, and grain sorghum?

Mr. BEACH. No; this is oats alone. I will give you each of them.

Mr. HARVEY. This is given by commodity, individually?

Mr. JOHNSON. Mr. Harvey, as long as you went back 10 years on the corn, wouldn't it be good to go back 10 years on the grain?

Mr. HARVEY. I think that would be all right. I have no objection.

Mr. BEACH. All right. I will read oats first, beginning with 1946: 1946, 42,812,000; 1947, 37,855,000; 1948, 39,280,000; 1949, 37,794,000; 1950, 39,306,000; 1951, 35,233,000; 1952, 37,012,000; 1953, 37,536,000; 1954, 40,551,000; 1955, 39,243,000; 1956, 33,639,000.

Mr. HARVEY. Pardon me. What was that last one, 33 million—

Mr. BEACH. 33,639,000. Barley: 1946, 10,380,000; 1947, 10,955,000; 1948, 11,905,000; 1949, 9,872,000; 1950, 11,155,000; 1951, 9,424,000; 1952, 8,236,000; 1953, 8,680,000; 1954, 13,370,000; 1955, 14,564,000; 1956, 12,827,000.

This is sorghums for grain: 1946, 6,669,000; 1947, 5,480,000; 1948, 7,317,000—

Mr. HARVEY. Pardon me?

Mr. BEACH. 7,317,000; 1949, 6,602,000; 1950, 10,346,000—

Mr. HARVEY. I beg your pardon?

Mr. BEACH. 10,346,000.

Mr. HARVEY. 1950 was what?

Mr. BEACH. 10,346,000; 1951, 8,544,000; 1952, 5,326,000; 1953, 6,295,000; 1954, 11,702,000; 1955, 12,866,000; 1956, 9,349,000.

Mr. HARVEY. Would you say that the reduction in grain sorghum in 1956, which was rather substantial, was due to the drought or the soil bank?

Mr. McLAIN. Primarily the drought, Mr. Harvey.

Mr. HARVEY. How much would you estimate, Mr. McLain, that we have in surplus production of supplemental grain?

Mr. McLAIN. We have——

Mr. HARVEY. How many acres, I mean; just an estimate.

Mr. McLAIN. Well, to give it to you in acres, I think it would be difficult. I think it might be more desirable if I give you the picture of the stock figures. As you know we have followed a very aggressive sales policy, exportwise, with grain sorghums and barley and oats, primarily to relieve a serious storage situation.

Because of that aggressive sales policy, our current carryover of other feed grains are not as high proportionately, as they are in corn.

Mr. HARVEY. Right on that point, you made a statement in your prepared testimony in which you said that the surplus of supplemental feed grains was at a point where they were the equal of 800 million bushels of corn equivalent?

Mr. McLAIN. The increase in production of other feed grains was about 800 million bushels corn equivalent in 1954 and 1955 as compared with 1953. We feel that because of the use that has been made of these feed grains, both in feeding and in mixed feeds, that it has replaced that equivalent of corn, and we have the figures here to show that.

Mr. HARVEY. Well, then, isn't it a fair statement to say that the influx of this extra production on supplemental feed grains has to a certain extent replaced corn and some of the increased supplies which we have of corn on hand today are due to this replacement process?

Mr. McLAIN. That is absolutely right. An additional factor is our exports. Again, we exported because we had no place to put the grain. It was a replacement of normal corn export into the various markets in Europe, particularly.

Mr. HARVEY. Well, those are very interesting statements, and I think are important to the total consideration of the problem. And I am very happy to get those facts and figures in the record.

To go ahead with some of the other facts in your statement, how many acres would, in your judgment, need to be reduced or taken out of production to bring the grain situation back into balance?

Mr. McLAIN. You are talking about corn?

Mr. HARVEY. Well, I think that is the best way I know to present the question to you. Obviously, I think we are all agreed that it is going to probably have to come out of the different types of feed grains; we are going to have to get some reduction out of all of them.

Now, do you have any estimate as to what amount you think that the soil bank can and should get from the various types of grains? That is the question.

Mr. McLAIN. Well, we have set up a goal for between 4 million and 5 million acres of corn as the reduction that we hope to get in 1957. On wheat, which, of course, is sometimes used as feed in areas, we have a goal of from 12 million to 15 million acres.

Now, of course, we have no provision in the Soil Bank Act itself, for a cutback, as such, in feed grains. Therefore, we have not set up a goal for that purpose. However, we feel that if we get this cutback on corn, that we would get with this 51 million acre base, that we would go quite a long way toward pulling back this reserve of corn.

MR. HARVEY. Well, are you saying that while you may not be treating the Federal grain situation directly, that in getting acres into either the acreage reserve or the conservation reserve, they would be the acres that would normally be excess acres that would be planted in the feed grain?

MR. McLAIN. I think that, generally speaking, is so.

MR. HARVEY. Do you have any estimate as to how many acres you think you might get from the cotton?

MR. McLAIN. Well, our goal for cotton was between $3\frac{1}{2}$ million to $4\frac{1}{2}$ million acres.

MR. HARVEY. Now, what is your estimate, Mr. McLain, as best you can give it to us, of the amount of money that you think will be allotted or awarded to the farmers, particularly of these three big basic commodities? How much money? I think the figure was quoted the other day in the record, but I did not have an opportunity to get it down. Could you quote us that figure?

MR. McLAIN. Mr. Beach.

MR. BEACH. The current allocation by commodities is as follows—this is of the acreage reserve: Wheat, 267,630,000—

MR. HARVEY. Wheat, 267 million—

MR. BEACH. 630,000; cotton, upland, 217,500,000; corn, 217,500,000; rice, 14,000,000; tobacco, 34,055,000.

MR. McLAIN. Now, we arrived at this, Mr. Harvey, so that the record is straight, by taking the maximums that were allowable in the act itself to be used for any one commodity and prorating them down to the \$750 million that we were allotted in the act, to spend, you see.

MR. HARVEY. How much do you expect, and how many acres do you anticipate, that you will get in the conservation reserve?

MR. McLAIN. I would like to have Mr. Doggett answer that question, if he would.

MR. DOGGETT. Congressman, the program is so new, and we have figures as of January the 16th—we are asking our counties to report on a semimonthly basis, and we will have another set of figures at the end of this week, that will be more up to date.

MR. HARVEY. Do you have any preliminary estimate, at all?

MR. DOGGETT. Yes. As of January the 16th, we had total obligations of \$23,467,122 on both the—

MR. HARVEY. That is dollars; is it?

MR. DOGGETT. Yes, that is dollars.

In 1956 and 1957—I will give it to you by acres, as well.

MR. McLAIN. I think he is interested in what your goal is for 1957. Is that correct?

MR. HARVEY. Your goal for 1957 is what I am asking for, if you have it. You certainly have some tentative figure in mind.

MR. DOGGETT. We have an overall goal of 20 million. You see, this is a continuing program.

MR. McLAIN. Twenty million acres.

Mr. HARVEY. Twenty million acres.

And what do you estimate, for 1957, that will cost?

Mr. DOGGETT. Well, you see, Congressman, in the case of the conservation reserve, we have an overriding total allowable commitment of \$450 million annually. So that when we make a contract, it is a continuing contract for the life of it. It cannot be shorter than 3 years.

Mr. HARVEY. I understand that. However, I still would like your estimated cost, and you must have one, a projected cost, for that 20 million acres that you expect for 1957 to get into conservation reserve. You will not wait 10 years to pay them, you are going to pay them on an annual basis?

Mr. DOGGETT. That is correct.

Mr. HARVEY. So there ought to be some estimated figure as to the cost of the 20 million conservation acres reserve?

Mr. DOGGETT. Well, we do have an estimated cost.

Mr. HARVEY. What is that?

Mr. DOGGETT. It is on the basis of a \$10 national average per acre.

Mr. HARVEY. In other words, that would be \$200 million—

Mr. DOGGETT. That is the rental figure, you see; then plus—

Mr. HARVEY. Plus your allowable—

Mr. DOGGETT. Practiced establishment.

Mr. HARVEY. Cost for seeding or tree planting, and so forth?

Mr. DOGGETT. Right.

Mr. HARVEY. Do you have any estimate as to the amount of that?

Mr. DOGGETT. We are estimating the average cost on that at about \$14.

Mr. HARVEY. So, in other words, that would be for 20 million acres, \$280 million?

Mr. DOGGETT. Right; right.

Mr. HARVEY. In other words, you are projecting an estimated cost of the conservation reserve of \$480 million for 1957?

Mr. DOGGETT. Correct.

Mr. HARVEY. If you get the acres you anticipated?

Mr. DOGGETT. That is right. We have actually got \$30 million allocated.

Mr. HARVEY. Those are, to me, very interesting and very revealing figures. I want to ask you this question:

First of all, on the basis of the projected dollar allotment to the various commodities and the areas from which they come, doesn't it indicate that fairly equitable treatment dollarwise is planned to be given to those areas?

Mr. McLAIN. We think so.

Mr. HARVEY. In other words, the cotton area is getting a fair shake, the wheat area is getting a fair shake, by comparison with corn?

Mr. McLAIN. We think definitely so, Congressman.

Mr. HARVEY. I noted during the course of the hearings that a great deal of criticism was directed at corn for 1956, because they did get a bigger share than the other commodities. I think, however, we all understand how it happened and why it happened, and that the criticism that was directed was not actually a valid criticism because it was not anything that was planned by either the committees, or the House, or the Senate, or the Department. It is just the way it worked

out, but it is the projected plan to give equitable treatment, or as nearly as possible, to the three commodities insofar as the amount that will be allotted to their areas for acreage reduction.

Mr. McLAIN. We have absolutely tried to do our best to do that, Congressman Harvey.

Mr. JONES. Will the gentleman yield there just a minute?

Mr. HARVEY. Yes.

Mr. JONES. I think you are leaving an inference there which I do not think is entirely correct.

You are not saying that this was distributed in 1956 on an equitable basis, or that the Department made that an equitable ruling, in regard to the various crops, are you?

Mr. McLAIN. We say this, Congressman Jones: That the same treatment was given each commodity. The unfortunate part about it was that the commodities grown in the South had already been planted—the fact is, in parts of Texas the wheat had already been harvested before this bill ever become law.

And obviously, the opportunity to participate in the areas where the crops were not as far along was much greater, and the opportunity to participate in the drought relief aspects of it was much better.

We set the same set of rules for each commodity, and it was carried out precisely that way. Now, it so happens that the drought hit in Nebraska and part of Missouri and part of Iowa, and vast numbers of farmers—because they had the opportunity, and this would have happened in cotton, if the same thing would have happened there—flocked in to utilize the program, and they were paid on the basis of appraised yield. Every commodity was given that opportunity.

Mr. JONES. The only thing, you were paying for corn without taking anything from their allotted planting, now, weren't you? They did not have to take from their allotted planting, they took from their base in corn?

Mr. McLAIN. In some instances that was correct.

Mr. JONES. But you did not pay any cotton unless it was taken from the allotted acres?

Mr. McLAIN. Anyone that underplanted their allotted acres was paid just like the individual who had underplanted his corn base.

Mr. JONES. But they did not get credit for planting under their base; they had to plant under their allotment before they could come into it.

Mr. HARVEY. Mr. Jones, the time is very limited, and I am not going to get to question this witness beyond this particular item.

Mr. McLAIN. I would just like to briefly answer this: That the minimum acreage allotment, as I pointed out in the previous testimony, took care of the situation that you are developing, Mr. Jones, because we had it for wheat and we had it for cotton, the other two principal commodities.

Mr. HARVEY. Well, I hope the gentleman from Missouri—

Mr. JONES. That is all right. I did not want to leave the impression they were all being treated on the same basis, when they were not. I did not want to leave that impression.

Mr. HARVEY. The time is very limited, and I do want to proceed in another field of questioning. That has to do with the question of—I think the gentleman will agree that is one of the most difficult de-

cisions that the Congress and the Department are going to have to make—that is, so far as the basic act of 1938, as amended, is concerned, what process we are going to follow in the future with regard to stabilizing grain prices. That is the big problem that we face; is it not?

Mr. McLAIN. That is a very real problem; yes, sir.

Mr. HARVEY. And I believe that you recommended in your testimony that complete discretionary authority be given to the Secretary, so far as stabilizing corn prices in the future, working in the direction of giving complete and discretionary authority to the Secretary with regard to price-support level?

Mr. McLAIN. That is correct—after the duration of the soil bank.

Mr. HARVEY. And your feeling is, if we will give the Secretary complete discretionary authority, he can eventually develop a healthier situation within the grain market and come near keeping the grain supply in balance? That is your thinking, is it not?

Mr. McLAIN. That is correct.

Mr. HARVEY. I think you will also agree, will you not, that the final result of stabilizing grain prices will be to stabilize the livestock market?

Mr. McLAIN. That is certainly right.

Mr. HARVEY. It was true, was it not, during the many years before we got into this great surplus, that the very modest influence of the stabilizing and price-support feature of the Corn Act had a very stabilizing influence on the livestock, particularly hogs?

Mr. McLAIN. That is correct.

I think we had a good illustration of that by the dollar and a quarter support we put under all corn last year. The stabilizing effect that that has had on the hog market is a good indication of what can happen.

Mr. HARVEY. And that, to me, quite frankly, Mr. McLain, is the background of why I do not agree with the thinking of the Department that by giving a great deal of fluctuation to the price of grain you can help to stabilize livestock prices.

Mr. McLAIN. Could I just take a minute to answer that?

I would like to point this out to you: Prior to 1956 we have had price supports on the allotted corn acreage. And you can recall a year ago last October and November that even though we had price supports at, I think it was, around \$1.57 a bushel, we had corn in your State as low as 90 cents a bushel on the market.

Mr. HARVEY. Let me say, if I might interject right there, because I also have an interest in the grain elevator and I know, I think, a little bit about the practical workings of the grain trade, that so long as the corn-livestock balance was in good proportion it did not take very much to stabilize the corn market.

Mr. McLAIN. Well, now—

Mr. HARVEY. So this little gimmick of the price stabilization figure was able to do it simply because there was not any great stress put upon it by extra production. And, of course, the impact came, not from corn itself, really, as you have testified here, because corn was made a surplus by the influx of supplemental grains. That is true, isn't it?

Mr. McLAIN. Yes; that is true. But let me finish.

Mr. HARVEY. All right; go ahead.

Mr. McLAIN. What I am saying is this: Even though you have this \$1.57 support rate on corn, you had about 40 to 50 percent compliance. The corn of noncompliers was not supported at any price. Continually we had the downturn in corn prices to 90 cents.

Now contrast that with what happened in 1956, when the President vetoed the farm bill, and we put a dollar and a quarter support, comparable to feed grains, under all corn. You can look at the record, and you will find that the corn market, even in the face of a 300 million to 400 million bushel large carryover, has been all the way from 5 to 30 cents a bushel higher to farmers this year than it was a year ago when we had the other program.

Mr. HARVEY. I agree with you 100 percent; that is absolutely correct.

And permit me to say right here and now that I am most happy that the Department has finally come around to my viewpoint, which I have been insisting on for a long time, that cheap grain is not good for the livestock industry.

Mr. McLAIN. I personally have always had that.

Mr. HARVEY. It has not been apparent from the testimony before our committee. I will put it that way.

Mr. McLAIN. It will be apparent in any of my testimony.

Mr. HARVEY. And I concur in that.

Now, the very thing that I have tried to get at, Mr. McLain, is—let me put the question to you this way:

What evidence do you have that the complete discretionary authority by the Secretary, with respect to either soybeans or supplemental feed grain, has been an effective approach to the problem?

Mr. McLAIN. We have all the evidence in the world. If you look at the soybean situation, it has always been discretionary with the Secretary. It has been one of our most healthy commodities, in spite of the fact that we have had a terrific expansion in acreage.

And let me say, Congressman Harvey, that a year ago when we raised this support level 5 percent, we had protests from producers, saying to us, "For heavens sake, why are you changing the support level?"

We did it because the supply situation warranted it.

I think we have ample evidence that with all the feed grains they have worked satisfactorily, because every producer of them is entitled to a price support, and it puts a real floor under their prices.

Mr. HARVEY. Well, isn't it true that the soybean market has been a constantly expanding one?

Mr. McLAIN. That is correct, but the acreage expansion has been terrific.

Mr. HARVEY. And that the acreage has been also constantly expanding?

Mr. McLAIN. One of the phenomenal crops.

Mr. HARVEY. That is right.

And so, without being discourteous, or having any intention of discrediting the Secretary of the Department, it is my opinion that the Secretary's managerial ability did not have near so much to do with the healthy situation of soybeans as that the natural expanding market and expanding acreage have been just about in balance.

Mr. McLAIN. Well, of course, all I can say is that with the feed grains, since the Secretary, the current Secretary, has been in his

office, have never been supported below 70 percent. And that meant that every producer of those grains was entitled to that support.

Now, this is what really puts a floor under grain prices.

Mr. HARVEY. That is right.

I think, however, the authority—this brings us right to the nub of the whole thing, Mr. McLain—and it is the matter that I think is of greatest importance, truly of grave importance. It is this, that you have had, as an anchor, so far as supplemental feed grains is concerned, a very effective corn price work program through the years. And it was not too hard to govern and control the total acreage, and even the total of all of them is much less than the corn acreage, as you well know.

You have had the stabilizing influence of the corn price-support program as an assist to the Secretary in stabilizing the price of supplemental feed grains.

Mr. McLAIN. We certainly agree that we have had a very good corn program, but we also say to you, Congressman Harvey, that we have had vast numbers of farmers that have not had the advantage of price support. We have had a depressed market many times, even though we have had a high loan rate which affected grain price and livestock prices.

Our feeling is that if we could eventually get these all together and get a floor under all these feed grains and make everyone that raises those feed grains eligible for price support, as we have done with the feed grains and oilseeds for years, then we would really get a floor under feed grain prices.

Mr. HARVEY. I agree with you, absolutely. The only point, apparently, that we are in conflict on is that you want to put them all in the same category, but you want to give complete flexibility to how you treat them.

I would like to put them all in the same category, but I would like to put a floor under the level of support for them.

Mr. JONES. Point of order, Mr. Chairman. I want to raise a point of order.

The House is going into session now, and there is a very important bill on the floor. I want to know if I am going to have to make a point of order of no quorum being present or——

Mr. HARVEY. I have completed my questioning.

Mr. JONES. It is 12 o'clock, and we need to be on the floor.

Mr. GATHINGS. Will you withhold that until the gentleman from Ohio has an opportunity for two questions?

Mr. JONES. We won't have time to finish this witness, anyway, because I have some questions I want to ask.

I think it is necessary we get on the floor, so I either want to make a point of order that we do not have a quorum, or make a motion that we adjourn until tomorrow morning and get the gentleman back up here.

Mr. GATHINGS. Off the record.

(Discussion off the record.)

Mr. GATHINGS. On the record.

Mr. JONES. I move we adjourn until 10 o'clock in the morning.

Mr. GATHINGS. The meeting stands adjourned.

(Whereupon, at 12 o'clock, the committee recessed, to reconvene at 10 a. m. of the following day, Tuesday, February 5, 1957.)



ACREAGE RESERVE ALLOTMENT FOR CORN

TUESDAY, FEBRUARY 5, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee resumed discussion at 10:10 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Mr. POAGE. The committee will please come to order.

We have asked Members of Congress to be here today and I know that it is customary to let them proceed promptly and I don't want to unduly delay anybody, but we have had Mr. McLain here for 2 days and he has to appear before another committee tomorrow.

We should hear his testimony now, if possible, since it is not our desire to put him to a great deal of inconvenience tomorrow.

I wonder if any member would care if we proceeded with Mr. McLain right now and try to dispose of him?

If there is no objection, we will ask Mr. McLain a few questions.

STATEMENT OF MARVIN McLAIN, ASSISTANT SECRETARY; ACCOMPANIED BY HOWARD DOGGETT, DIRECTOR, SOIL BANK DIVISION, CSS; R. B. BEACH, ASSISTANT DEPUTY ADMINISTRATOR, OPERATIONS, CSS; CLARENCE MILLER, ASSOCIATE ADMINISTRATOR, CSS; UNITED STATES DEPARTMENT OF AGRICULTURE—Resumed

Mr. POAGE. Mr. McIntire, would you like to ask any questions of Mr. McLain?

Mr. MCINTIRE. Not at this time, thank you; I think not.

Mr. POAGE. Mr. Albert, do you have any questions?

Mr. ALBERT. Not at this time, Mr. Chairman.

Mr. POAGE. Are there more questions of the witness?

Mr. Anfuso?

Mr. ANFUSO. Not at the moment. Let me get my bearings first.

Mr. POAGE. Mrs. Knutson?

Mrs. KNUTSON. Thank you; no.

Mr. POAGE. I want to come back to some questions.

Do you have any questions of Mr. McLain, Mr. Teague?

Mr. TEAGUE of California. No, sir.

Mr. POAGE. Mr. Abernethy?

Mr. ABERNETHY. None.

Mr. POAGE. I would like to raise the question that we raised the other day that if we passed the Department's bill, at what price will the Department support corn in the commercial corn area to growers

who are in compliance? I believe you said the other day you would be able to give us that answer in a day or two.

Mr. McLAIN. Let me be sure I get the question, Mr. Poage.

Mr. POAGE. At what price will the Department support corn in the commercial area to growers who are in compliance?

Mr. McLAIN. At the rate that was announced before the referendum, at \$1.31.

Mr. POAGE. At \$1.31.

Under the same circumstances and at what rate will you support noncompliance corn?

Mr. McLAIN. That we cannot answer today, Mr. Poage, for the reason that it will depend upon conditions with respect to whether we get the legislation.

The Secretary has the right to either do it or not do it and, as I said the other day—and I have reviewed this with the Secretary—we are not going to let corn prices be depressed unduly. If it is necessary to take action to help keep them up, it will be done; but it is his wish, and I concur in it, that that not be completely detailed at this time because we frankly don't know at what level it would be.

Mr. POAGE. When will you know?

Mr. McLAIN. We will know in ample time the farmers will have the information that they need before they get too far along with their plans.

Mr. POAGE. But am I to take it that you will not know in time to give this committee any help or guidance in the determination of what we should do?

Mr. McLAIN. That is true.

Mr. POAGE. Under the same circumstances, at what price will you support corn outside of the commercial corn area?

Mr. McLAIN. Under our proposed legislation, it would be supported outside of the commercial area at 82½ percent the commercial area support rate. As the law now stands—as you well know, outside the commercial area it is supported at 75 percent of the commercial area rate. Under our proposal for a soil bank base of 51 million acres it would be 82½ percent of the \$1.31.

Mr. POAGE. Do you know what that figure comes to?

Mr. McLAIN. No; Mr. Beach could figure it here in a second.

Mr. DOGGETT. \$1.08.

Mr. BEACH. \$1.08 is correct.

Mr. POAGE. If we do not pass the Department's bill, or, let us say, if we pass no bill, at what price will the Department support corn in the commercial corn area with grower compliance?

Mr. McLAIN. At \$1.36 per bushel.

Mr. ABERNETHY. What is that rate?

Mr. McLAIN. About 77 percent of parity.

Parity has changed, Mr. Poage, so that the record is straight—

Mr. BEACH. It is 77 percent of the December 15; it is slightly less under the January 15 parity.

Mr. HOEVEN. Mr. McLain, I am a bit confused. I understood the other day from your testimony that the Department would support corn for 1957 at \$1.32 a bushel, which would be 74 percent of parity.

Mr. McLAIN. No; I don't think the record shows that, Mr. Hoeven.

Mr. HOEVEN. That is the impression I got.

Mr. McLAIN. If it shows that, it is in error. If we have no bill, it will be supported the way the minority of the farmers voted in the referendum at \$1.36.

Mr. HOEVEN. Which is about 77 percent of parity?

Mr. McLAIN. Between 76 and 77, as of now.

Mr. ANDRESEN. Will the gentleman yield?

Mr. POAGE. Yes, sir.

Mr. ANDRESEN. Notwithstanding the fact that you have no bill here for 74 percent, you intend to support the price of corn in the commercial corn area for compliers at \$1.31?

Mr. McLAIN. Under the bill that we are proposing, Congressman Andresen—

Mr. ANDRESEN. You don't have any bill. Notwithstanding what action we may take on corn legislation.

As I understood you, that the announced support price for corn in the commercial corn area for 1957 crop would be \$1.31?

Mr. McLAIN. That is in error, it will be \$1.36 if nothing is done.

Mr. POAGE. Now, to get the rest of these figures in the record, if we pass no bill, at what price would the Department support non-compliance corn in the commercial corn area?

Mr. McLAIN. If we pass no bill, at what rate will the noncompliance figure be in the commercial area?

Mr. POAGE. That's right.

Mr. McLAIN. This is the question that I tried to answer to start with, today, Mr. Poage. I said that the Secretary had the discretion to support it at a fair level; that decision has not been made yet and it won't be until we see what the conditions are a little later.

Mr. POAGE. Then, you did not get my first question, because what I had intended to ask you before—

Mr. McLAIN. Let us ask the question again, to be sure that I get it and strike what I said so we will be sure to get the question right.

Mr. POAGE. If we pass no bill, at what price will the Department support corn in the commercial area where the grower is not in compliance?

Mr. McLAIN. My answer was correct. The one that I gave was correct and I will repeat it again so that everybody understands it.

The way the thing stands now, there is no price support on non-compliance corn. The Secretary has a discretion under the law to put one under the price of all corn. That will be considered seriously before we see corn prices depressed too unduly.

Mr. POAGE. Now, the next question, then, is: If we pass no bill, at what price will the Secretary support the price of corn outside of the commercial corn area?

Mr. McLAIN. Will you ask your question again, Mr. Poage?

Mr. POAGE. I asked: If we pass no bill, at what price will the Department support corn in the noncommercial corn area?

Mr. McLAIN. Under the law, the way the law is written, Mr. Poage, it is supported at 75 percent of the commercial area rate.

Mr. POAGE. Seventy-five percent of what it is in the commercial area and it would be, that 75 percent of compliance corn in the commercial area which would be \$1.36, and 75 percent of \$1.36; is that right?

Mr. McLAIN. That's right.

Mr. POAGE. Roughly, a dollar?

Mr. BEACH. \$1.02.

Mr. McLAIN. \$1.02.

Mr. SIMPSON. Mr. McLain, did not the Department support corn in the noncompliance area and in the compliance area at 70 percent last year?

Mr. McLAIN. The Department supported corn at \$1.50 to those who met their allotments or complied with the corn base last year, and \$1.25 to those that did not. That situation, or that decision—

Mr. SIMPSON. Is that 75 percent?

Mr. McLAIN. I would have to figure that.

Mr. SIMPSON. I think it was supported at the same prices that you supported feed grains.

Mr. McLAIN. It was approximately 70 percent—\$1.25, whatever percentage of parity that was.

Mr. SIMPSON. Is it my understanding that it was in the same category as feed grains, 70 percent?

Mr. McLAIN. It was \$1.25 a bushel.

Mr. POAGE. May I ask this, Mr. McLain?

In the interest of getting this matter clarified, I am afraid that in the order we have taken things, both of us have got a little jumbled up.

Would you insert in the record a table—I am not asking you to give it to us momentarily—showing the support prices on commercial corn, noncommercial corn, noncompliance corn in the commercial area, and other feed grains—four lists.

Compliance corn in the commercial area; noncompliance corn in the commercial area; corn outside the commercial area; and feed grain.

Mr. McLAIN. On the basis of if we get this bill?

Mr. POAGE. On the basis if we pass your bill, what each one of those would be; what each one will be if we pass no bill; and what each one will be if we pass the Andresen bill.

Mr. McLAIN. The announcements on the feed grains were reviewed before our board of directors this morning. They will be forthcoming very shortly. That will be decided regardless of what happens to the bill here.

Mr. POAGE. Will you so note in the table and give us a table showing what happens under each of the three contingencies?

Mr. McLAIN. It may be well to give you what happens to the corn, what happens ahead of the other, because until final decision is made on the feed grains, which is in the hands of the Secretary, and the Board of Directors of CCC, that may be a few days before that is available, but this other one we can furnish right away, Mr. Poage.

Mr. POAGE. If you will give it to us just as quickly as you can in a tabulated form, it will answer all the questions we have been asking this morning and then we won't get confused on it.

Now, if we may, I must apologize to Mr. McLain and to the committee that I was not here for all of the hearing yesterday morning, but some question has arisen as to your statement, which I understand—and I have not even seen the record—but it has been by hearsay reported to me that you estimated that under the present law cotton-growers are going to get about \$200 million of the soil-bank payment in 1957.

Is that right, Mr. McLain?

Mr. McLAIN. The figures that were asked for, that Mr. Harvey asked for, were taken out of the—well, we will check them, of course, we check all the records here—but if you have any questions about the record here, we will be glad to check it.

Mr. POAGE. Was it that you estimated about \$200 million would be spent?

Mr. BEACH. The figure that was given, Mr. Poage, was the allocation out of the total of \$750 million that was applied to the cotton allocation, the \$217,500,000.

Mr. POAGE. But what was the allocation last year?

Mr. BEACH. I don't have last year's figure as to the allocation.

Mr. DOGGETT. The allocation last year was the same as it was—

Mr. POAGE. Will you get that, Mr. Harvey?

The allocation was the same, \$217 million.

What can you pay, or what did you pay the cotton people last year—and this is the crux of this thing, right now.

Mr. McLAIN. Mr. Harvey was raising the question in a full year's operation of this program, what was the potential that each commodity could earn?

Mr. POAGE. I understand.

Mr. McLAIN. Mr. Beach has the figure.

Mr. POAGE. Very well.

Mr. BEACH. The maximum under the agreements approved on cotton in the 1956 program, the total is \$267,336,091.

Mr. POAGE. Let's get that clear. Last year there was an allocation to cotton of \$217 million.

Mr. BEACH. Yes, sir.

Mr. McLAIN. Yes, sir. The maximum amount of money last year available was the same as it is this year.

Mr. POAGE. \$217 million to make soil-bank payments last year for cotton.

You actually paid \$27,200,000, that's right; isn't it?

Mr. BEACH. And \$336,000.

It was \$27,336,000.

Mr. POAGE. Now then, you have allocated the same amount to cotton this year.

Do you, by the wildest stretch of the imagination, see any way in the world that cottongrowers could possibly earn \$217 million of soil-bank payments in 1957 under the present law?

Mr. McLAIN. We think so, Mr. Poage.

Mr. Doggett here can report on some happenings that are going on right now if you would like to have that.

Mr. POAGE. We would have to put 4 million acres of our allotment into the soil bank.

Mr. McLAIN. That's right.

Mr. POAGE. Almost 23 percent. Almost 25 percent. It is about 23 percent of our allotment.

Mr. DOGGETT. Right.

Mr. POAGE. Do you anticipate that after having made a 35 percent cut in cotton production we will then turn around and put 23 percent additional in the soil bank?

That will be a total cut of something like 60 percent in cotton acreage in the last 4 years, won't it?

Mr. DOGGETT. I guess that's right.

Mr. POAGE. All right. Then, after we have taken a 60-percent cut in our cotton acreage, how do you expect us to maintain the servicing institutions necessary to handle that cotton crop? The gins, the compresses, the markets. How can we maintain the servicing institutions necessary to handle any crop if we take 60 percent out in our acreage?

Mr. ABERNETHY. Plant corn.

Mr. POAGE. We can, of course.

It just seems to me that the Department should give us a practical answer here and not come up here and give us such a wild estimate. Do you sincerely thing it is possible for the cotton economy of the United States to take a 60 percent cut in 4 years? How much cut do you think the corn people can take?

Mr. DOGGETT. I would rather Mr. McLain would answer the corn one.

Mr. POAGE. I would like for you to answer it. You have told us that you sincerely believe that cotton—you made the allocations between corn and cotton for each of them.

How large a percentage cut do you think that corn can take and live and maintain a sound economy in the Corn Belt?

What percentage cut do you think the corn people can take?

Mr. McLAIN. Well, Mr. Chairman—

Mr. POAGE. I would like for Mr. Doggett to answer that question. He is the one who told us he sincerely believed we could take a 60 percent cut in cotton.

I would like to know what he thinks is about the most we can take in corn.

Mr. DOGGETT. I think that the economy is better able, Mr. Poage, to stand for a short period of time, to stand a cut than it is to pile up this stuff in the Government's hands to overhang the market.

Mr. POAGE. The whole reason for the hearings, as I understand it, is that many of us feel, and I am one of them who do feel, that corn cannot take even a 35 percent cut and continue to operate, and I think you feel that way, do you not?

Mr. DOGGETT. No. We think we have the available feed grain supply.

Mr. POAGE. Why, then, do you come in here and ask us to change the law which would impose something like—what is it, 33 or 34—call it 35 percent cut on corn?

Why do you come in and ask us to change that? That is what the corn people voted for?

If I understand all of the philosophy here, it is that the corn people cannot stand that much cut. I am inclined to agree with that.

Mr. BELCHER. Maybe I am confused, but my understanding was that the last 4 million acres of cotton would be paid for.

Now, in the 37 million acres in corn, that would not be paid for?

Mr. POAGE. Not unless we pass something, that's correct.

I think we should pass something. I think, clearly, we should, and I expect to offer a proposal to raise the minimum corn allotment.

Mr. BELCHER. I am not arguing; I am just wondering. I was confused as to it.

My undertaking was that the last 4 million acres of cotton would be paid for.

Mr. POAGE. It would be, but the first 35 percent hasn't been paid for.

Mr. BELCHER. I grant that, but the difference between 35 and 60 percent would be paid for.

Mr. POAGE. That's right. But not to argue with you, because I think we see it alike, but to clarify your thinking or expression there, if I understand it, if you apply the same thing to corn that we have already applied to cotton, you would require them to take a cut down to—it would be somewhere in the neighborhood of 37 million acres.

You require them to take that with no compensation and then suggest that they take another, another 23 percent cut in addition to that, provided you give them soil-bank payment.

Mr. BELCHER. Of course, if the farmer is paid what the crop is worth, he suffers no financial loss for taking a 100 percent cut.

Mr. POAGE. That's right.

Mr. BELCHER. If he isn't paid that amount, he doesn't have to go in, does he?

Mr. POAGE. No.

Mr. BELCHER. He wouldn't go in, would he?

Mr. POAGE. I don't think so.

Mr. BELCHER. That 4 million acres would not be cut out of cotton unless it is to their interest, is that not so?

Mr. POAGE. I don't think there is the slightest possibility of that 4 million acres coming out of cotton, but Mr. Doggett has told me that he believed it would come out.

Mr. BELCHER. I don't know whether an acre will come out, but it wouldn't come out unless it is profitable to the cotton farmer to take it out.

Mr. SIMPSON. I don't know whether this is on the point or not, on the reference or not, but on page 14 of Mr. McLain's statement, you give corn as the No. 1 ranking crop with a value of \$4,517 million; cotton is No. 2 with \$2,152 million.

And, if I understand it, that is based on the 1936 valuation.

If 51 million acres is the proper acreage for corn in the next, in the commercial area, 35 million is the proper acreage for cotton in the commercial area, cotton hasn't taken as much cut in proportion as corn.

Mr. POAGE. I beg your pardon?

Mr. SIMPSON. Basing this on the value of the crop.

Mr. McLAIN. I think the important table to look at is table 4 in my testimony which shows you under the formula where these allotments would be for all of these commodities.

In the event we did not have these minimum allotments, you can see that the wheat allotment would be 12.4 million acres; cotton would be 3.9.

I think Mr. Poage's question is: If we let this formula work like it is now with corn and let these things go down to this low level which wisely, the cotton and wheat people did not stand for, then the same type of program we are talking for corn could well be applied to these commodities.

Mr. POAGE. Let me get that clear. I didn't quite understand what Mr. McLain said, that last part.

Mr. McLAIN. I think if you were to look at this on the basis of the legislation that we have, we should compare all of these commodities on the basis of where the allotment level would have been on the basis of the supply position. If we had not put these minimums under them, we would have taken wheat down to 12.4 million acres. We would have taken cotton down to about 4 million.

If you had let them come down like we are letting corn come down, then I think we would have a basis for doing for these other commodities what we are doing for corn.

Mr. SIMPSON. I still would like to renew my questions: On a basis of the No. 1 ranking crop, with a value, or volume, rather, of \$4,517 million, against the cotton being No. 3 ranking with dollar sales of \$562,152 million and 51 million acres, is the general agreement by most everyone for corn acreage in the commercial area, what is the acreage generally agreed to in the commercial cotton area?

Mr. McLAIN. 17.6 is the minimum, of course, that we can reduce to.

Mr. SIMPSON. What was it last year? How many acres of cotton were planted last year?

Mr. McLAIN. Mr. Beach could give you that figure for last year.

Mr. BEACH. In July 1, 1956 it was 16,859,000. It was 16,859,000 under cultivation.

Mr. SIMPSON. Where did I hear 35 million?

Mr. ABERNETHY. I haven't heard it.

Mr. BEACH. The highest figure was 28 million in 1931.

Mr. POAGE. I don't think we have planted 35 million in cotton for 20 years or more. Probably not since 1937.

Mr. SIMPSON. Is there such a thing as basing this on dollar value of the crop?

Mr. McLAIN. I leave that to your judgment. All we are trying to do in this table was to show the comparative value nationwide of these various crops. I think it is important that that be one of the considerations when we realize that if we don't pass some legislation to correct the situation—important not only to corn, but to livestock growers.

Mr. POAGE. Now, may I ask—I don't want to be impolite to anybody—but before I yield again, I want to ask some questions of the Department and I want the answers in the record before I yield again, because I would like to get these answers in the record.

May we start, Mr. Doggett?

You said, I believe that you sincerely believe that we would be able to cut the cotton crop of this year by 4 million acres. That's right; wasn't it?

Mr. DOGGETT. Yes.

Mr. POAGE. You sincerely believe that?

That brings us down to 13 million acres; does it?

Mr. DOGGETT. Yes, sir.

Mr. POAGE. That is approximately 40 percent of the cotton that we planted back during the base period.

Mr. DOGGETT. There is no base period spelled out for cotton.

Mr. POAGE. Do you believe we can take a 60-percent cut on corn, on the same base period?

Mr. DOGGETT. I believe we can, under certain hypothetical conditions.

Mr. POAGE. You believe we can.

And the economy of the Corn Belt will still remain sound?

Mr. DOGGETT. Yes, sir, under certain conditions.

We have got a good deal of corn.

Mr. POAGE. You do believe that, Mr. Doggett?

Mr. McLAIN. I don't believe that this condition would ever have existed if we didn't have the diversion for other basic commodities into the feed grains in the noncommercial area. I think it is a hypothetical question.

Mr. POAGE. You don't believe that we would ever reduce to 40 percent of the corn that was formerly produced? I don't understand that.

Mr. McLAIN. It is the direct replacement. That is the only reason.

It is a direct replacement of it.

Mr. POAGE. Certainly, but how does it keep your corn area up?

Mr. McLAIN. Of course, your allotment goes up if your total carry-over stocks of corn go down and your total carryover stocks of corn go up when other feed grains move in.

Mr. POAGE. That would seem to me that that would tend to decrease rather than increase your corn production.

Mr. McLAIN. If you decreased your feed grains, more corn would be used.

Mr. POAGE. If you decrease feed grains, you will need more corn. We all know that; we all know that.

Mr. McLAIN. That would have the effect of raising the allotment.

Mr. POAGE. If you were to adopt a proposal that I suggested here the other day of letting each of the commodities place land in the soil bank, after they have reduced 15 percent, or after they have increased their allotments 15 percent and then reduce from that, if you would allow that, of course you would reduce the production of feed grains; wouldn't you?

Mr. McLAIN. I am not sure that I know what that proposal is, Mr. Poage.

Mr. POAGE. Let's go back to the proposition because I am certain—at least I think you said what I understood you to say, that you, too, believe that we could reduce corn without destroying the economy of the Corn Belt, down to 40 percent of normal production of corn.

Mr. McLAIN. It would be shifted into something else like it has in cotton and in the wheat area and the grain sorghums and barley that are replacements. We are even getting grain replacements in the corn area.

Mr. POAGE. You have barley and oats and soybeans in the southern area?

Mr. McLAIN. That's right.

Mr. POAGE. You have just as many crops that you can shift to in the Corn Belt as we can in cotton?

Mr. McLAIN. Outside of our tobacco, cotton, and peanuts. You can't shift cotton to tobacco and peanuts; so you can shift just as many crops in the Corn Belt as you can in the Cotton Belt—quite a diversified way you can shift.

Mr. POAGE. As a matter of fact, the Corn Belt is much more diversified than most of the Wheat Belt or most of the Cotton Belt.

Mr. McLAIN. It has been in the past. I think in the South it is getting more the other way.

MR. POAGE. So we come back. I just want the record plain now. If I misquote you, I want you to correct it because I did not understand you. I understood Mr. Doggett.

Do I understand you, Mr. McLain, to say that you agree that you can reduce corn 60 percent below the normal production of corn and still maintain a sound economy in the Corn Belt?

MR. McLAIN. I would hate to see it happen, Mr. Poage.

MR. POAGE. But what do you think about the possibility of doing it?

MR. McLAIN. Our program, if it were given a chance to operate for the 3 years, would eliminate any possibility of that.

MR. POAGE. I am not asking what is going to happen 3 years from now, because we are called upon to pass legislation which is branded as emergency legislation. That is not 3 years off. That is 3 weeks off.

What do you think about this year, 1957? Do you think that we can cut the corn crop in 1957 by 60 percent and maintain a sound economy in the Corn Belt?

MR. McLAIN. We wouldn't be asking to change this 37 million if we thought we would get any compliance with it.

MR. POAGE. I didn't think you would. I thought that was the reason that you were asking a change in that, was because you felt such a severe cut wouldn't work.

MR. McLAIN. It would work if you had a marketing quota or quotas on it like it does in other commodities, but the corn people have never wanted quotas and the Congress has wisely indicated that they would not be applied.

MR. POAGE. Do you think the solution should have been to put marketing quotas at the 37 million and just force the corn people to cut their crops like that? Do you think that would have been the proper answer?

MR. McLAIN. No, sir, we do not; we recommended that they be removed and they were wisely removed.

MR. POAGE. Then you do feel it is better to maintain a substantial volume of corn production?

MR. McLAIN. That's correct.

MR. POAGE. Now then, you feel that it is unwise, however, to maintain a substantial volume of wheat, or of cotton, or of tobacco, that they shouldn't maintain a comparable volume of production?

MR. McLAIN. Again, all I say, Mr. Poage, is that if we had applied the same criteria to the corn that we have to these other commodities, and put a minimum under them, and I think you very wisely and properly raised the question of why it had not been done before here, the other day, if that had been done, this problem never would have arisen. May I point out to you if it had not been done with these other commodities you would have been in the same position today that corn is finding itself in.

MR. POAGE. The fact is that we didn't do that; isn't it, and we are faced with the present-day situation of dealing with the problem that we have before us.

MR. McLAIN. That's correct.

MR. POAGE. And you think, regardless of Mr. Doggett's views, you think that it would be unwise to materially cut the corn production over somewhere in the 40 million acres, at least?

MR. McLAIN. I say it wouldn't be done on a volume basis.

MR. POAGE. You don't think it should be done, do you?

MR. McLAIN. No, I don't.

MR. POAGE. But you do think that we should cut the cotton and wheat production by 35 to 50 percent? You do think that we should cut their acreage?

MR. McLAIN. Again, we have the minimums put into the law which I think were wisely put in, and I think that gives the protection that now the corn farmer is asking for.

MR. POAGE. You think that it would be desirable to put 4 million acres of cotton in the soil bank below the already minimum allotment?

MR. McLAIN. Of course, you recognize, Mr. Poage, that this is voluntary on the producer's part.

MR. POAGE. I know, but I am asking—my producers have got to have some advice somewhere and the Department of Agriculture is supposed to give us good advice as to how we should proceed.

Now, are you going to advise my cotton farmers to try to cut their acreage 4 million acres more than it was cut last year?

MR. McLAIN. We have taken the wisdom of the Congress on the distribution of these funds and we are making the soil bank available to the cotton farmers, the wheat farmers, and all the other farmers on the basis of the maximum that we can give them.

We are trying to provide rates that are attractive enough to compensate them for the reduction they are to make, and we feel the farmers will make a wise decision.

MR. POAGE. What would you advise those farmers, that it would be a good idea to cut?

MR. McLAIN. As long as we have this thing on the statute books to try to use it, Mr. Poage—

MR. POAGE. This Congress has the power to repeal that thing on the statute books. What do you suggest to us as being advisable about maintaining or changing that law? Do you tell us it is a good program to try to cut cotton acreage another 4 million acres?

MR. McLAIN. We have tried to indicate to you that we would like to have the thing given a year's fair trial.

MR. POAGE. I didn't ask you about the soil bank; I asked you about the cotton farmers.

Do you think it is sound nationally to cut the cotton acreage another 4 million acres?

MR. McLAIN. Let me say this: More and more people in the cotton area and in some of the others, including the leaders in Congress, are beginning to recognize that it is not wise to cut back cotton acreage and it is not wise to price cotton out of the domestic and the world markets. You are going to see some bills introduced in that direction because cotton farmers, like all farmers, like to produce cotton and that is the way they make a living. You can't get an argument out of me trying to get me to say that we ought to cut them back further.

MR. POAGE. I am glad. I didn't want you to say that.

MR. McLAIN. I think the approach is in the other direction with a fair price that will move the commodity into markets.

MR. POAGE. I didn't say that we could cut cotton any further, but Mr. Doggett said that we could and it wouldn't hurt the economy. I wanted to see whether you concurred in that opinion and I am glad to find that you take the position that that is mistaken, that we ought to

go in the other direction; and if we ought to go in the other direction, how in the world can you expect—Ralph, I want you to listen to this—how in the world can you expect that you are going to spend \$217 million in soil-bank payments for cotton this coming year?

Mr. McLAIN. I think what you have to do, Mr. Poage, is to recognize—you have these minimum allotments and they are the controlling factor. This soil bank is in addition to what we tell the cotton farmer that we will cut back further, that we will compensate you for those acres you have taken out.

Now, I think that decision ought to be left to the cotton farmer.

We have indications in several States right today that they are plenty willing to come into the program. We won't know until the sign-up is over just how many.

Mr. POAGE. You know, as a matter of fact, that right today, Mr. McLain, it is cotton-planting time in the Rio Grande Valley. It started the 1st day of February. We have a legal limit on planting time because you can only plant for about 6 weeks on account of the pink bollworm. You have to plant between the 1st day of February, I believe, and the 15th day of March.

There isn't any other time you can plant cotton. You have to have it plowed up, I believe, by the 15th day of August. That is the day you have to have your stalks plowed up.

Now, we are already under the gun.

Mr. McLAIN. We understand that. That is why we got the program out.

Mr. POAGE. We appreciate that.

Now, don't you know that those fellows down in the Rio Grande Valley are sitting there right now making up their minds as to whether they are going to plant cotton or use the soil bank, depending on whether it rains?

Mr. McLAIN. Of course, the farmer always takes into consideration whether it is going to rain.

Mr. POAGE. If it doesn't rain, they know that they are not going to make a thing in the world.

Falcon Dam down there is nearly dry.

Mr. McLAIN. You are getting back to the argument that we have tried to advance here that the time to get these things signed up is ahead of time.

Mr. POAGE. Not getting back to it. It is fine to give them some opportunity to use this thing as insurance. I am not one who has ever made that argument that we ought to blindfold the farmer and tell him to act blindfolded. I believe in giving him all the information we can before forcing him to make a decision.

I am one who believes in letting him use this soil bank as insurance. You don't. I don't want to fall out with you about that.

Mr. McLAIN. Well, we are very happy to see Senator Humphrey indicate that he didn't agree with this philosophy.

Mr. POAGE. There are a lot of things that I disagree with Senator Humphrey about.

Then, shall we let the record show that you simply don't want to express any opinion as to whether it would be a good thing or a bad thing to cut 4 million acres off of the cotton production this coming year?

Mr. McLAIN. We feel the cotton farmers ought to have the same opportunities that the other farmers have.

Mr. POAGE. I understand that, but I am not even trying to make you give me a yes or no answer. Will you simply agree and let the record show that you don't want to express an opinion as to whether it would be good or bad for the cotton farmer to cut 4 million acres off his production this year?

Mr. McLAIN. You can let the record stand the way you want it to, Mr. Poage.

Mr. POAGE. In other words, you won't even answer that question.

I didn't try to make you answer yes or no. But you won't even say whether or not you feel that it would be unwise to express an opinion.

Mr. McLAIN. I have expressed myself, that I think all farmers ought to look at this and see whether they can profit by using it. The Congress has given it to them. I think every farmer ought to explore how he can gain by using it.

Mr. POAGE. Since it is clear that you do not care to answer that, let me ask you one more question, and I hope I can bring this to a conclusion.

It was suggested to me last night by one of my good friends who doesn't see this thing quite as I do, that the cotton farmer would make lots more out of the program if we just kept the same program, than he could if we gave him the opportunity to put 15 percent above his allotment in the soil bank, just as it was suggested we do with the corn farmer.

Now, would you tell us that in your opinion the cotton farmer could make lots more money and get lots greater payments, narrow it down to this—it was suggested that he would get lots more payments out of the soil bank if we kept the present program than if we allowed him to do the same thing that it was suggested we do for the corn farmers.

Mr. McLAIN. Of course, the cotton farmer is getting his supply lined up with demand. Just whatever program it takes to do that, I think, is what he would like to have.

Mr. POAGE. You were not going to speak for the cotton farmer a minute ago. You were very sure that you didn't want to make up his mind for him. Now you are ready to decide for the cotton farmer, but I didn't ask you to make a decision for the cotton farmer because you objected to doing so.

I am merely asking you, as a mathematician, if you see any possibility of cotton farmers as a whole getting more money, larger payments out of the soil bank by maintaining the present program than by applying to cotton the same principle that is set out here for corn?

Mr. McLAIN. I don't know what program you are referring to.

Mr. POAGE. I am talking about your program, your program for corn.

Mr. McLAIN. I think our program for corn would make the commodities comparable and that is the only reason we are asking for it.

Mr. POAGE. Do you mean by saying that, because I have asked you specifically about payments out of the soil bank, now, I will narrow it down to the acreage reserve. Do you believe that the present law will give to cotton farmers larger payments out of the acreage reserved in 1957 than the extension of exactly the same principles that are in your corn bill to cotton would give to those cotton farmers?

Mr. McLAIN. I don't know what you have in mind by "extension of the present corn laws."

Mr. PoAGE. You know what I have in mind. I beg your pardon. I won't say it that way—I will repeat it several times.

I have stated here, I think publicly and privately, that as far as I was concerned, I stood ready at any time to accept any kind of corn law that these gentlemen over here wanted to write, fixing the base from which corn growers can begin going into the soil bank whether they want to fix it, whether it be 5 percent of historic production or whether it be 50 percent of historic production, and I will accept any support price they want to give, whether they be 100 percent or whether they be 50 percent of parity.

That is going a long way for a 90-percent man. I will accept any support price they want to fix provided they will extend the same provision, the same reduction, and the same support prices to cotton, wheat, tobacco, and the other commodities.

You have understood my position on that, haven't you?

Mr. McLAIN. I get it from what you are saying now. I hadn't heard you discuss this the other day.

Mr. PoAGE. Now that you understand, do you think that if you extend the provisions of your corn bill to cotton, on the same basis, that cotton would get more or less out of the acreage reserve of the soil bank than it will under the present law?

Mr. McLAIN. The maximum is written into the law, Mr. Poage. We haven't suggested changing that.

Of course, that maximum for cotton is \$217 million. I don't think it would make a material difference either way you went. This is the maximum that we would have no right to exceed.

Mr. PoAGE. Are you telling us now that you agree with Mr. Doggett that cotton will make a \$4-million-acre reduction under the present law?

Mr. McLAIN. I don't think there is any man able to answer that question for sure, today.

All Mr. Doggett tried to express to you was that the early indications point in the direction that we will have a good signup in cotton. We cannot tell until the contract period has passed.

Mr. HARVEY. Apropos of this line of questioning that has been going on, I think it should be stated for the record that the gentleman from Texas, in figuring the estimated amount that would go to the cotton area under the program you proposed was \$140 million.

Mr. PoAGE. That's right.

Mr. HARVEY. And the amount that was projected would go to the cotton farmer under the present arrangement, \$217 million.

Now, my conclusion simply was that this program would actually give more money to the cotton area than the proopsal of the revision by the gentleman from Texas.

That is all.

Mr. PoAGE. Will the gentleman yield?

Mr. HARVEY. Yes, sir.

Mr. PoAGE. The \$142,800,000 is, I think—I have explained to the gentleman from Indiana—the maximum amount of money that can be secured by cotton producers if they put every acre of the 15 percent in the soil bank.

Of course, nobody expects it to be 100 percent, but it is the maximum amount that can possibly be secured.

That brings us down to the allotment. You would then still be in the position of being able to put anything you wanted in the soil bank below the allotment, just exactly as you are today, and if, in fact, cotton farmers want to reduce 4 million acres, which I don't believe, if it is a fact that cotton farmers would reduce this 4 million acres, of course they would put in additional acreage and they would get a maximum of more than \$217 million.

Mr. HARVEY. I didn't get that figure of \$242 million. Where did you get that?

Mr. POAGE. \$217 million.

Mr. HARVEY. You quoted a figure just prior to that of \$242 million.

Mr. POAGE. If I did, it was in error, because I didn't intend to quote a figure of \$242 million.

The figures are simply this, Ralph, that if you apply the principle that you are asking us to apply to corn, and I am willing to apply it across the board and allow the cotton farmers and the wheat farmers begin to put land in the soil bank when they are 15 percent above their allotment, the maximum that could be paid down to the allotment would be \$142 million for cotton.

Mr. HARVEY. That is where the error came by. The other time you quoted a figure of \$242 million.

Mr. POAGE. I beg your pardon. It would be \$142 million; it would bring you down to the allotment. You could put every acre of that 15 percent in at 50 percent of the support price.

Mr. HARVEY. Then, is the gentleman saying that he would want to follow the procedure of setting up that \$142 million payment and then providing the difference between that and \$217 million for further voluntary cuts?

Mr. POAGE. That's right.

Mr. HARVEY. But that, insofar as the total amount is involved is concerned, that the gentleman would still be willing to go along with the \$217 million figure?

Mr. POAGE. That's right, because I don't believe that if you did this thing that you would anything like use up the \$217 million.

I will be surprised if we put as much corn in below 17,500,000 acres as we did last year, if we have this bill I am proposing.

Mr. HARVEY. Then, in essence, the difference between the proposal as we are now considering it and the proposal of the gentleman from Texas is that up to \$140 million you would have a general distribution to all cotton farmers?

Mr. POAGE. Exactly.

Mr. HARVEY. The difference between that and \$217 million would go, then, to the voluntary reducers, is that it?

Mr. POAGE. If you reached that point. I don't think you would ever reach it.

Mr. HARVEY. Would we ever have an estimate on that basis of how many actual acres of reduction below the 17 million would be achieved?

Mr. POAGE. I don't think you will get any more than you got this year.

Mr. HARVEY. You certainly, with the difference in money, the difference between \$142 million and \$217 million, would expect to get, if

it were all utilized, so many acres reduction. What would be the mathematics of it, \$50 an acre for approximately \$70 million?

Mr. POAGE. I don't know. The gentleman doesn't understand the plan, at all. I don't expect to get additional cotton reduction. I expect to get the reduction in feed grains, just exactly like you got in the corn last year. You didn't get a reduction in corn. You took it out of something else.

I expect a reduction in feed grains.

Mr. HARVEY. In other words, according to the plan, you are not going, for the \$217 million, you are not going to get any cotton reduction?

Mr. POAGE. You will get some if you spend \$217 million. I have repeatedly stated, and it is my belief, Mr. Doggett notwithstanding to the contrary, and I afford him the benefit of the same sincerity that I claim for myself, I don't believe there is a chance in the world we will spend \$217 million on cotton.

Mr. HARVEY. But there is about \$70 million gap there?

Mr. POAGE. Yes; and the cotton farmers are not going to avail themselves of it, in my opinion, and that is just my guess.

Mr. HARVEY. You estimate that we will spend \$140 million and get no cotton reduction?

Mr. POAGE. No cotton reduction, just exactly like you spent \$179 million on corn last year and got no corn reduction.

Mr. HARVEY. The gentleman knows that that was not a planned program and is not a projected program.

Mr. POAGE. We will get a reduction in all kinds of feed grains throughout the South because when a man puts these acres in soil bank he goes out of cotton and out of corn and out of feed grains. Certainly we will get a reduction in the surplus crop, but it won't be out of cotton.

Just exactly like it was not out of corn last year. We paid \$179 million. We got no reduction in corn. We got a reduction in oats. We got a reduction in barley, possibly. We got a reduction in some other grains, but we didn't get it in corn and I am not going to kid this committee into thinking that I am fool enough to believe that we would be buying a reduction in cotton.

I am not trying to fool you at all. I am telling you the straight truth about this thing. Of course, we won't get a reduction in cotton for that money, but we will get a reduction in feed grains and we have been told that feed grains were the serious situation. We have been told that we had too much corn and we will get a reduction in corn if we do this thing.

We will get a reduction in those things that we are told are in a desperate situation.

Of course, you will be paying the cotton farmer for it.

Mr. HARVEY. Mr. McLain, if I might ask this question: Is it the thinking of the Department that a cotton reduction is needed?

Mr. McLAIN. This was the intent of the Soil Bank Act, Mr. Harvey. It is spelled out in the act itself.

Mr. HARVEY. I know it is the intent, but I am asking the question, is it needed?

Mr. McLAIN. It is obvious to anyone who understands the cotton picture that it is needed.

Mr. HARVEY. What is the present stock of cotton, how many bales?

Mr. McLAIN. 14 million bales, approximately, on August 1, 1956.

Mr. HARVEY. What is considered a normal, safe carryover?

Mr. McLAIN. We can supply that for the record.

Mr. HARVEY. What was the historical carryover reserve?

Mr. McLAIN. Cotton has been almost in the same position as wheat, as far as carryover stocks are concerned. We have had about a year's normal supply being carried over.

That is above normal for cotton. Of course, we are moving large amounts into the export program. That is reducing that and we hope to continue that.

Mr. HARVEY. Do you think 8 million is a safer figure to consider for carryover reserve?

Mr. McLAIN. Around 8 or 8½ has been an average.

Mr. HARVEY. In other words, we have nearly a 100 percent surplus.

Mr. McLAIN. Until we move it into this export program.

Mr. ABERNETHY. I thought your last announcement was that you would conclude this cotton year with carryover stocks of about 12 million bales and next year with 7 million, and the next with 4 million.

Mr. McLAIN. If our export program keeps working.

Mr. ABERNETHY. It is doing pretty well?

Mr. McLAIN. That's right.

Mr. BELCHER. I still don't intend to get in the argument between the cotton and the corn boys, because I think you are both capable of taking care of yourselves. But I want information.

Apparently, from your line of questioning, if I am any judge, you are trying to get the Department to admit that this corn bill grants privileges to the corn farmer which would not be enjoyed by the wheat farmer. Would you point those out for my information?

Mr. POAGE. I submit that is true. Here is the basic difference. The cotton and wheat farmers have already even taken a reduction of better than 30 percent from their historic production.

Mr. BELCHER. On their allotment?

Mr. POAGE. To reach their allotment. They have reduced normal acreage by approximately one-third in each case.

Corn, at the present time, would require a reduction comparable to that in the case of cotton to reach the 1957 allotment. We are told that the corn people cannot take that kind of reduction. I am in agreement with that.

We are told, however, that we should have some reduction in corn because there is too much feed available and we should have a reduction in corn in order to try to get it down.

We are told that instead of requiring corn farmers to reduce, just as cotton and other things have been reduced without any payments, that we will let corn reduce by 12 to 15 percent depending on just where you fix it, somewhere between 12 to 15 percent without any payment.

Mr. BELCHER. Down to 51?

Mr. POAGE. Or 49, or wherever you fix what we last year called the farm corn base, but call it 15 percent. Then corn is asked to take a reduction of, say 15 percent without any payment and then corn is asked to take another reduction of approximately 15 percent to bring them roughly 30 percent below their historic acreage which is not

quite as much reduction as cotton and wheat have already made, but for that last 15-percent reduction that corn producers should be paid, that they should receive soil-bank payments of not 50 but 60 percent of the prospective value of the crop.

Mr. BELCHER. As I understand, then the difference is, and you contend the difference is, that the wheat farmer and the cotton farmer have to reduce down to their figure, without any payments.

Mr. POAGE. That's right.

Mr. BELCHER. And the corn farmer does not have to reduce down near that far before he starts to get paid.

Mr. POAGE. Under any of these bills.

If you leave the law as it stands, he would have to reduce that far without any payments, but if you pass any of these bills, and I think that everybody agrees that there should be something provided there—

Mr. BELCHER. If this were to apply to cotton and wheat, you have to raise the minimum allotment or put on the base?

Mr. POAGE. Frankly, my own suggestion was that we would establish a farm base for all of these crops: Corn, wheat, cotton, all of them, and establish it 15 percent higher than the allotment. That still would not bring corn quite up to where we would want it to be.

So, in order to bring corn up, my own personal suggestion would simply be to give them 6½ million acres of base and raise their allotment to 43,200,000 acres which is what it was last year. In other words, to give them a minimum allotment.

Mr. BELCHER. Give corn.

Dr. POAGE. Give corn a minimum allotment. Make it 6 million acres higher than it is at the present time. Give them a minimum allotment just like we are giving wheat and cotton. Give them 43,200,000 acres which is what they had last year.

And then, apply to them the same rules that you would apply to other crops. Give them 15 percent on top of that and let them begin putting land in the soil bank at any point 15 percent above their new and increased allotment.

In other words, they would bring that extra 15-percent base back down to 43 million acres, but they would get paid. They would get paid for that 15 percent, and I would say to your wheat farmer that instead of being cut to 55 million acres, his present allotment, that at 63,250,000 acres he could begin putting land in the soil bank.

Mr. BELCHER. The allotment, there would still be a minimum allotment of 55 million, but you would add 15 percent for base and then you would start paying back from the base.

Mr. POAGE. Exactly. And let him put into the soil bank from his farm base. If he wanted to go below his allotment, he could still put a little in the soil bank.

Mr. BELCHER. And that is your theory, that the corn farmers he is now getting preferential treatment on these bills?

Mr. POAGE. He certainly is, because he is getting paid to make the cut. The wheat farmer in Garfield County, Okla., is not getting paid to make the cut, and the cotton farmer in Ellis County, Tex., is not getting paid to cut his cotton acres.

It would give the corn farmer what he says he needs. It would give the corn people everything they have asked. It would apply to other crops the same treatment that the corn farmer has asked for himself.

As I said here a while ago, while I am willing to go further, personally I am willing to go further and accept whatever support price the farmer wants to take on corn, I will take it for cotton, for wheat, and the rest of them—I can't see how anybody can claim that we are asking anything unfair or anything unreasonable when we ask to receive the same kind of treatment the corn farmers receive.

We recognize the corn farmers' problems. We are willing to solve them, but we are not willing to solve them in a vacuum without doing anything for anybody else.

Any further questions?

Mr. ABERNETHY. Mr. McLain, is it your opinion that the surplus problem of the corn farmer will ever be solved by putting his acreage into the soil bank, whereas there is a large segment of the country left open to plant just as much corn or other grains as it would like to plant? Do you think it would be solved under those conditions?

Mr. McLAIN. First of all, the Department recognizes that feed grains are interchangeable. I think everyone with an understanding of the feeding industry recognizes that. It has become more pronounced as grain sorghums have developed further.

We have felt in the Department that over the long pull, that our bill does just that after the expiration of the soil bank. With the discretionary support levels established by the Secretary without acreage controls, it would be the wisest solution to the problem.

Mr. ABERNETHY. I do not understand. You mean you are coming up with a program effective in 1960 after the soil bank expires?

Mr. McLAIN. Under the legislative provision as recommended by the administration we set the minimum at 70 percent for the duration of the soil bank. Thereafter, all feed grains would be treated the same.

This would mean that all grain raised, whether in the commercial area or noncommercial area, would be supported. You see, one of the difficulties we have—and this is hard for a person not in the Corn Belt to understand—is that putting a support price at 90, for instance, on corn with only 40 percent anticipation does not put a floor under corn prices for the Corn Belt farmer.

Mr. ABERNETHY. Mr. Secretary, excuse me. We are getting completely away. I do not want to talk about 100 percent or 60 percent or any other percent. I am not interested, for the purpose of this thought, in percentages. I am simply asking this question which I think you can answer very briefly:

Will the deposit of acres, corn acres, in the commercial corn area, leaving the remainder of the country to plant such corn and grain as it likes, solve this surplus corn problem?

Now, that is what you are asking us to do. Just answer, Will it solve the corn surplus?

Mr. McLAIN. We think with the Soil Bank Act picking up the added acres that are now being taken out there——

Mr. ABERNETHY. That is what I am talking about. You think it will solve it.

You have said several times in the well of this committee that the other people who were producing other crops have taken their acreage out of the other crops and put them in corn. That is what you said; isn't it?

Mr. McLAIN. Corn and feed grains.

Mr. ABERNETHY. We are talking——

Mr. McLAIN. Yes.

Mr. ABERNETHY. You say they have put their diverted acres in corn. Now, when you take out more corn in Iowa or South Dakota or Minnesota, all in the commercial area, and firm up the price of corn, how can you avoid an increase of feed grain production in the non-commercial areas?

Mr. McLAIN. Up until we had the Soil Bank Act, you could not. But now——

Mr. ABERNETHY. How can you do it now?

Mr. McLAIN. We now have a method wherein any other acres that are released will be picked up, and they will be compensated for.

Mr. JENNINGS. Not in acreage reserve.

Mr. ABERNETHY. Both acreage reserve and conservation.

Over the cotton area you have a program designed to bring cotton acreages down and it does not permit the planting of cotton in other sections?

Mr. McLAIN. You have control over it through marketing quotas; yes, sir.

Mr. ABERNETHY. You have some controls?

Mr. McLAIN. Yes, sir.

Mr. ABERNETHY. You also have some control over the wheat situation, except the minimum acreages; don't you?

Mr. McLAIN. That is correct.

Mr. ABERNETHY. You have some control over the tobacco situation. You cannot plant it anywhere else after it is cut down, can you?

Mr. McLAIN. No, that is right. All the marketing quota programs work that way.

Mr. ABERNETHY. But as to corn, the thing that has brought the problem on is that you cannot control it—and I am not suggesting that we control it. But when you cut it back in the commercial corn area, through the soil bank or regardless of how you do it, it springs up somewhere else. It is just like a balloon, you push it down on this side and it springs up on the other over here. That is what has happened; isn't it?

Mr. McLAIN. That is the reason we have commercial counties——

Mr. ABERNETHY. That is the reason.

Now, what has been suggested here? Let's just do not confine it to, just say, we want you to be fair with all commodities alike—which I agree with, but just let's not confine it to that. Why don't we look at this objectively and agree that the only way that we will ever be able to bring this grain situation under control, which is what you want to do and which is what Mr. Harvey wants to do, and which is what I want to do, all of us, is to get these people out of the production of grain who are competing with the very ones that you are now trying to help with this bill. And the only way you can get them out is put them all in the soil bank.

Mr. HARVEY. Now, will the gentleman yield?

Mr. ABERNETHY. Yes.

I want to ask him to answer that. Isn't that the only way you can get them out, unless you invoke quotas?

Mr. McLAIN. If you go this way, Mr. Abernethy, you have got to control, not only the feed grains, but also vegetables, oilseeds, and you would create——

Mr. ABERNETHY. No.

Mr. McLAIN. It would be up there.

Mr. ABERNETHY. What we are proposing is not a diversion to vegetables, oilseeds, or anything else. What we are proposing here is to take the grain acres out of grain. We are proposing to take them out of grain and put them into soil bank and put them to sleep. That is what we are proposing.

Mr. McLAIN. There are literally millions of acres of land in all of these areas that could be put in under this proposal, diverted to the oilseeds and the vegetable crops, unless you put them all under the control program.

Mr. ABERNETHY. And that is exactly what can be done when you take the acres out under your bill. They can still be diverted to competitive crops; can't they?

Mr. McLAIN. That is right, but you would not improve——

Mr. ABERNETHY. What you are proposing here does not solve the situation of diversion in the very area that you make your bill applicable to.

Mr. McLAIN. Only to the extent that further diversion out of your basic commodities is picked up by the soil bank. That is the only way it is done, plus the conservation reserve part of it.

Mr. HARVEY. The gentleman was not here yesterday when I was completing my questioning of Mr. McLain. I would only mention to him that I asked this question of Mr. McLain, and I quote:

How much do you expect, and how many acres do you anticipate, that you will get in the conservation reserve?

And there follows some questions, but after 3 or 4 interchanges the reply was this, by Mr. Doggett:

We have an overall goal of 20 million. You see, this is a continuing program.

And Mr. McLain interposed then and completed the sentence and said:

Twenty million acres.

I then asked, and I quote:

And what do you estimate, for 1957, that will cost?

And Mr. Doggett replied:

Well, you see, Congressman, in the case of conservation reserve, we have an over-riding total allowable commitment of \$450 million annually. So that when we make a contract, it is a continuing contract for the life of it. Now, it cannot be shorter than 3 years.

In other words, this is projected.

Mr. ABERNETHY. I am talking about the acreage of reserve.

Mr. HARVEY. That is acres. This is going to pick up acres that are now devoted to producing part of the surplus of feed grain, and certainly, \$450 million are going into that area and may or may not be too much to pay for it, but it is evidence, in answer to the question of the gentleman from Mississippi, that the program is not unrealistic and does answer the objections that you have raised.

Mr. ABERNETHY. Now, I would like to conclude, Mr. McLain, with this observation.

You have observed from the well of this committee, and I thoroughly agree with you, that diverted acres have gone to grain. The Depart-

ment agrees that the reduction of cotton in the United States has caused it to spring up elsewhere in the world.

Mr. McLAIN. That is right.

Mr. ABERNETHY. That we have pushed the balloon down here, and it springs up over there.

You have followed that observation in the well of this committee with another observation, comparable and perfectly parallel with it, that is, that the corn problem, the reduction of corn, such as it has been in the commercial corn area, has caused the increased production of corn in a noncommercial area.

Now you are telling us that we can solve the corn surplus by further reducing the production of corn in the commercial corn area and leaving the other farms which are not in and not participating, free to produce just as much corn as they want to.

Now, you may be right; I do not think you are, but I realize that you are much more experienced in this subject than I am. I do not know very much about the production of corn.

But I will say that I think that what is being proposed here by Mr. Poage, myself and others, is in keeping with your previous philosophy, that is, that the diverted acres have got to be taken care of in order for the corn program, or any other program, to work.

What has been suggested this morning, what I have also suggested, is that we take the diverted acres in the Wheat Belt and in the Cotton Belt out of corn by way of the soil bank. I cannot see for the life of me why the commercial corn people would not shout, "Hurray, we appreciate it, we will be glad to get them out."

But you oppose it——

Mr. McLAIN. No——

Mr. ABERNETHY. Then I do not understand your program.

Mr. McLAIN. Again, I think if you got the significance of what Mr. Harvey was trying to quote to you, the \$450 million is to be used primarily, and it is the intent of the Soil Bank Act to pick up these acres that have already been diverted. That was the intent of that part of the act.

Mr. ABERNETHY. In what, conservation reserve?

Mr. McLAIN. Yes, sir.

Mr. ABERNETHY. Do you think I am going to put the finest land I have on my farm in the conservation reserve?

Mr. McLAIN. Not the finest, you should not put the finest in.

Mr. ABERNETHY. Wait a minute. Most of my cotton acres have already been cut half in two. Now, on the diverted acres I am now producing some crops. Do you think I am going to take that good land, it is at least my next best land—there are always 3 or 4 classes of land on the average farm—and put it in conservation reserve and plant it in trees? Of course I am not.

Mr. McLAIN. There are many other options other than trees in the conservation reserve program.

Mr. ABERNETHY. I do not care what the options are.

Mr. JOHNSON. Just a minute. The difference is you would only be getting \$10 an acre. Isn't that the maximum in the United States for conservation reserve?

Mr. McLAIN. That is the average.

Mr. DOGGETT. That is the average.

Mr. JOHNSON. Yes.

Mr. ABERNETHY. How much have you gotten into the conservation reserve in Mississippi, which is a heavy producing cotton State? You had it broken down; how much has gone in?

I think you have only three contracts in my county.

Mr. McLAIN. I think you will be surprised how many we have got in Mississippi, Mr. Abernethy.

Mr. ABERNETHY. I believe you have three contracts in my county. I may be wrong.

Mr. McLAIN. We will be glad to furnish for the record the latest up-to-date figures on it for all States if you so desire.

Mr. ABERNETHY. But up until now they have not put the converted acres in the conservation reserve; have they?

Mr. McLAIN. They have not had much opportunity to do it.

Mr. ABERNETHY. All right, up until now they have not done it, and this is corn-planting time. Now, this is an emergency which is being proposed for 1 year—just one.

And I cannot understand why you do not say, "Why, I think this is a good idea. I suspect that if we would sit down in executive session where we could discuss it, probably like we ought to, you would agree.

I think you ought to say, "This is a good idea, this will get these folks down there out of the production of corn and will permit us to solve this corn problem out in the Midwest."

I just cannot understand why you object to it.

Were you about to give us some figures on the conservation reserve?

Mr. McLAIN. For 1956 it was 127 contracts.

Mr. ABERNETHY. Out of how many farms in the State?

Mr. McLAIN. Again, we had very little participation in 1956 because it was not announced.

Mr. ABERNETHY. That is $1\frac{1}{2}$ contracts to each of the 82 counties in Mississippi.

Mr. McLAIN. Remember, Mr. Abernethy, that, they had to be in a position since this program was available only very late in the fall that they had not used the land all year, and you obviously know there were not many farmers who could meet that requirement.

Mr. ABERNETHY. There are a few interested in the conservation reserve program. And I think it is a good program. That is the one part of the soil bank I am for.

Mr. POLK. Mr. Chairman?

Mr. POAGE. Mr. Polk.

Mr. POLK. Mr. McLain, I would like to address two inquiries to you. The first is with reference to a local problem in Ohio.

On January 22 of this year, there was a meeting in the Ohio Federation of Soil Conservation Districts at Columbus. According to the newspaper report which came out on January 23, Mr. Herman, who is State administrator of the soil-bank program in Ohio, is alleged to have made this statement: He added that many of the 14,929 wheat-growers who agreed last fall to underplant their acreage will be given

a chance to cancel the agreements and plant the idle wheat acreage in corn.

Now, that news report, which came out on the 23d of January, has caused quite a bit of questioning and confusion on the part of our Ohio farmers, particularly those who are growing corn. They do not want to put this acreage that they took out of wheat into corn.

Mr. McLAIN. I think I can answer your question.

I do not know about the press report. But we did have a provision in our regulations, Mr. Polk, that, as you know, a man signing an acreage reserve contract had to agree to comply with all of his basic crop allotments. We felt that in fairness to the farmer, he should be given an opportunity, after he had gotten his last allotment, if he was not satisfied with it, to cancel out.

In other words, we did not want to bind him to something when he did not know all the terms.

So all Mr. Herman was saying, I am sure, was that anybody, because of the corn referendum going the way it did, who did not want to go through with the contract, could cancel it up until the time they got their corn allotment.

In fairness, we thought they should have that opportunity. This does not mean they did it. We have very little indications—well, we do not know for sure how many were canceled.

Mr. POLK. I know the farmers do not object to having a chance to cancel out, but they are——

Mr. McLAIN. You can see why we had to do it the way we did it. We could not require a farmer to sign an agreement when he did not know all the conditions of the agreement.

Mr. POLK. It appears the farmers think they are going to be forced to put this excess in corn.

Mr. McLAIN. No——

Mr. POLK. That upsets their rotation. In other words, they do not like to grow corn 2 years in succession.

Mr. McLAIN. I am sure Mr. Herman did not say that, and I think I have given you an adequate explanation. We would be happy to check further.

Mr. POLK. Will you investigate that?

Mr. McLAIN. Yes.

Mr. POLK. I think it might be well for you to get out a press release or something.

Mr. McLAIN. The press release has been given wide circulation, and this is one of the few questions that has been raised about it.

Mr. POLK. Thank you, Mr. McLain.

The other question that I want to raise refers to a point that was brought up, I believe last Friday, by Mr. John Baker of the National Farmers Union. He called attention to the fact that section 301 of the Agricultural Adjustment Act for 1938, in the definition of normal supply of corn, rice, wheat, cotton, tobacco, and so on, it gives quite, you might say, a handicap to corn.

May I read just briefly from the definition of "normal supply" as it appears in the Agricultural Adjustment Act?

"Normal supply" in the case of corn, rice, wheat, and peanuts for any marketing year shall be (1) the estimated domestic consumption of the commodity for the marketing year ending immediately prior to the marketing year for

which normal supply is being determined, plus (ii) the estimated exports of the commodity for the marketing year for which normal supply is being determined, plus (iii) an allowance for carryover.

Now, this is important:

The allowance for carry over shall be the following percentage of the sum of the consumption and exports used in computing normal supply: 10 per centum in the case of corn; 10 per centum in the case of rice; 15 per centum in the case of wheat; and 15 per centum in the case of peanuts.

I will skip that section because that is a special topic.

Then you have 175 percent, and coming down to the definition of "normal supply" of cotton:

The "normal supply" of cotton for any marketing year shall be the estimated domestic consumption of cotton for the marketing year for which such normal supply is being determined, plus the estimated exports of cotton for such marketing year, plus 30 per centum of the sum of such consumption and exports as an allowance for carryover.

I know this is not something that you are responsible for, and I am not criticizing in any way. This is just in the law, and you have to follow it. But under the law, the formula that you are forced to use gives corn and rice only 10 percent in addition, 10 percent to be added on the loss of any of the crops; wheat and peanuts is given 15 percent; cotton is given 30 percent.

I am wondering if the Department would consider recommending an amendment to the definition of "normal supply"?

Mr. McLAIN. I think the correct record shows that corn was changed, I believe at the last session of Congress, to 15 percent, Congressman.

Mr. POLK. Obviously, the one I have here is 1953. I realize that.

Mr. McLAIN. I think it was amended to 15 percent. But it still leaves, of course, quite, what we call a fringe benefit because it was written in the law in this manner.

Some of the gentlemen here can give an explanation of why it was done, but it has the effect, of course, of permitting larger allotments and higher price supports.

Mr. POLK. Yes. In other words, cotton was considered generally to be one of the important crops as far as cash value is concerned.

Mr. McLAIN. That is correct.

Mr. POLK. And has a very low priority, shall we say, in this definition of "normal supply."

It seems to me if we are going to give all commodities a fair consideration according to their relative values and importance, corn should at least be up as high as any of the other commodities.

Mr. McLAIN. Of course, this is right in the realm of minimum-acreage allotment, which corn has not had, you see, up until this request was in the Soil Bank Act. It is part of the same pattern.

Mr. POLK. Mr. Baker further pointed out that if we did use a 30-percent figure here, the same as for cotton, that our national corn acreage allotment in the commercial area would be about 49 million acres, if I recall correctly.

Mr. McLAIN. Well, we would have to check that. But it would be considerably larger, I am sure.

Mr. POLK. Would you oppose a change in the definition?

Mr. McLAIN. I could not state here. I think what we are asking for in effect does the same thing, and we would rather see it the way we have proposed it.

Mr. POLK. Thank you, Mr. McLain.

That is all.

Mr. POAGE. All right, Mr. Jones.

Mr. JONES. We have been discussing a lot of crops here, of course, and we have gotten, I think, perhaps away from the original bill. However, I think it is evident that we may be considering other things, too. And this may seem foreign when I first bring it up, but it is a situation that has arisen in the Department of Agriculture—the other day—about a condition that exists in North Carolina, Missouri, and Tennessee, with the brucellosis in soybeans.

Now, there has been some suggestion that one of the best, and perhaps the only way to control that infestation, we will call it that, is to take those acres out of production, of soybeans, or any other host of plants in which it might develop.

Now, the question is: Is the present soil-bank legislation sufficiently broad to permit farmers who have had this infestation to take those acres out of that crop and not plant the land, either to crops that are supported or to other crops that would be a host to this, and to receive soil-bank payments for that?

Mr. McLAIN. First of all, we have to have another fact in the case, whether there are basic allotment crops on the farm. Are there in the illustration you are giving?

Mr. JONES. On most of them there would be; yes.

Mr. McLAIN. If there were basic allotment crops on the farm, they would be allowed to put them into the soil bank, whether they be cotton or corn or tobacco. Then these acres that you set aside might have been the acres that you are talking about here that need to be set aside out of the soybeans, and the acres reserve program could be used to the extent that you are permitted under the acreage reserve program to do it.

And under wheat, we permit it, before we get through, those that wanted to put their whole allotment in to do it. We are not sure whether we are going to be able to do that with cotton and tobacco and corn, or not. But that is a possibility.

We are taking options on all over what they initially agreed to put in.

Mr. JONES. The reason I am asking this question—in other words, in some cases this acreage would be larger than what they would ordinarily be permitted on a percentage basis.

Mr. McLAIN. All right, now, the rest of it could be put into the conservation reserve program from a 3- to a 10-year period.

Mr. JONES. Well, the reason I bring this up, if it is not sufficiently broad to permit that to be done under the acreage reserve, then I think there is a possibility that we might want some legislation which would be in the form of a compensatory payment, just as we have established precedents for making compensatory payments for other diseases like that for the control. Because at the present time this disease seems to be centered in a very small locality, but there is a very great danger that this might spread.

And it seems to me that the Department of Agriculture should be considered in trying to maintain this. And they are in the process now of considering quarantine of those areas. So if they put the quarantine on, then those farmers and their corporation would need some vehicle to be compensated for that, and I was thinking about the soil bank being a possibility.

Mr. McLAIN. I think a combination of the acreage reserve and the conservation reserve would pretty well take care of it.

Mr. JONES. The only thing about the conservation reserve, it would not take care of it because of the fact that the farmer, with that acreage, where soybean is a good crop and it is a crop that is continuing to be enlarged, could afford to take his soybean acreage and put it into conservation reserve because the payment would not be adequate to justify that at all.

I just wanted to bring that up and let the Department start giving that some consideration.

Thank you, Mr. Chairman.

Mr. POAGE. Mr. McMillan.

Mr. McMILLAN. Mr. McLain, I have listened with interest to the questions relative to the corn problem, and I know that the members of the corn section are much better qualified to ask those questions than I am because we grow very little corn in my district, or State.

However, I would like to ask you a question or two about tobacco, and maybe peanuts.

The State of South Carolina last year suffered a loss of \$18 million on tobacco, which would amount to about 37-35 percent acreage reduction.

I was wondering how you felt about using this 1956 acreage for soil-bank purposes for this year?

Has the Department given that any consideration at all?

Mr. McLAIN. Your question is whether we would consider using the 1956 quotas in 1957 in order to determine soil-bank compliance?

Mr. McMILLAN. Yes, sir.

Mr. McLAIN. Well, of course, the law would prohibit them from doing that. That is the answer to your question.

Mr. McMILLAN. Yes, but I have a bill pending for that purpose.

I wondered how you all felt about it.

Mr. McLAIN. Of course, I think that if this is the direction you start, it will be done with all commodities. And my answer to your question is, if this is the direction we go, we are going to accomplish very little in basic crop reduction with the soil bank. Of course, we have felt that that reduced production was the intent of Congress in order to get some control of the basic commodities.

Mr. McMILLAN. Well, of course, we go all over the country giving relief to the corn farmers and, naturally, the tobacco farmers down in my section, there are approximately 300 farmers—

Mr. McLAIN. Of course, you recognize that tobacco does have a program of its own in which the producer is guaranteed 90 percent of parity, and these other commodities, of course, are not guaranteed that.

Mr. McMILLAN. But the 90-percent parity does not do them any good if they do not have any acreage.

Mr. McLAIN. That is precisely right.

Mr. McMILLAN. Another question I would like to ask, also, is if the Department has under consideration this 37-percent parity on tobacco being based in the soil-bank—is that 50-percent payment, or what?

Mr. McMILLAN. We, as you know, have announced the rate for 1957, practically the same as 1956, and the Secretary has said——

Mr. McMILLAN. Eighteen percent, which amounts to about 37 percent of parity.

Mr. McLAIN. I would say this to you, that after this year's operation, if the rates are not right to get the desired participation for any commodity, they will be reviewed and adjusted in 1958, accordingly.

Mr. McMILLAN. I do not believe you get tobacco farmers, not very many in my State, going back to 18.

Mr. McLAIN. Well, it is a very valuable crop, as you know, Congressman.

Mr. McMILLAN. I think peanuts is about in the same position in my State, also.

Thank you.

Mr. POAGE. Mr. Gathings?

Mr. GATHINGS. Mr. McLain, yesterday you gave some very fine acreage figures——

Mr. McLAIN. I think Mr. Beach gave them.

Mr. GATHINGS. In answer to questioning by Mr. Harvey I wondered if you had the actual production of corn in these years, if you gave this acreage? It would be very fine if we had those figures in the record, starting with the year 1944 for corn, 94 million acres.

Mr. McLAIN. We will insert them in the record following——

Mr. GATHINGS. Get the same information in the record as you furnished here yesterday with the various years as to the total number of acres planted in corn, and also oats, barley, and grain sorghum.

Mr. McLAIN. We will be happy to do that.

(The data requested above is as follows:)

Harvested acreage, production and yields of feed grains in the United States, 1944-56

Crop year	Harvested acreages					Production				Yield per acre			
	Corn, all	Oats	Barley	Rye	Grain sorghum	Corn, all	Oats	Barley	Rye	Corn, all	Oats	Barley	Rye
	Thousand acres	Thousand acres	Thousand acres	Thousand acres	Thousand acres	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	Bushels	Bushels	Bushels	Bushels
1944	94,014	39,741	12,301	2,132	9,386	3,087,982	1,149,240	276,275	22,525	32.8	28.9	22.5	10.6
1945	87,625	41,739	10,544	1,850	6,324	2,868,795	1,523,851	266,994	23,708	32.7	36.5	25.5	12.8
1946	87,585	42,812	10,380	1,597	6,669	3,217,076	1,477,573	265,059	18,487	36.7	34.5	25.5	11.6
1947	82,898	37,855	10,955	1,991	5,480	2,354,739	1,176,142	281,868	25,497	28.4	31.2	25.7	12.8
1948	84,778	39,280	11,905	2,058	7,317	3,605,078	1,450,186	315,537	25,886	42.5	36.9	26.5	12.6
1949	85,595	37,704	9,872	1,554	6,602	3,237,749	1,220,113	237,071	18,102	37.8	32.3	24.0	11.6
1950	81,818	39,306	11,115	1,753	10,346	3,074,914	1,369,199	303,772	21,403	37.6	34.8	27.3	12.2
1951	80,729	35,233	9,424	1,772	8,544	2,925,758	1,277,647	257,213	21,517	36.2	36.3	27.3	12.5
1952	80,940	37,012	8,236	1,393	5,326	3,291,994	1,217,433	228,168	16,146	40.7	32.9	27.7	11.6
1953	80,459	37,536	8,680	1,430	6,295	3,029,896	1,153,205	246,723	18,894	39.9	30.7	28.4	13.2
1954	80,186	40,551	13,370	1,795	11,702	3,057,891	1,409,601	379,254	25,935	38.8	34.8	28.4	11.4
1955	79,530	39,243	14,564	2,049	12,866	3,229,743	1,503,074	401,225	29,055	40.6	38.3	27.5	14.2
1956	75,950	33,639	12,827	1,636	9,349	3,451,292	1,152,652	372,495	21,558	45.4	34.3	29.0	13.2

Mr. GATHINGS. In addition, the actual production in those crops to show what the yield is.

Generally, what is the yield now of corn in 1956 in comparison with, say, 1950? Has there been an appreciable increase in yield?

Mr. McLAIN. All commodities are increasing in yield, as you know.

Mr. GATHINGS. I just wondered now whether they use as much fertilizer in the production of corn as they do in some of the other crops.

Mr. McLAIN. They are doing a good job at that. They are doing a good job at it, and the yield is just going up like this [indicating].

Mr. GATHINGS. Now, is that true also with grain sorghum and barley and oats?

Mr. McLAIN. It is true with all the commodities.

Mr. GATHINGS. That is all.

I would like to get those figures, though, inserted in the record.

Mr. McLAIN. We will be glad to do it.

Mr. POAGE. Mr. Johnson?

Mr. JOHNSON. Mr. McLain, the statement was made a few minutes ago that the average over the United States for conservation reserve acres was \$10 per acre; is that right?

Mr. DOGGETT. Yes, sir.

Mr. JOHNSON. What was the maximum amount paid under conservation acreage reserve?

Mr. DOGGETT. That is established by the State committees, country-wide.

Mr. JOHNSON. Could you give me what, to your knowledge, is the highest that is being paid?

Mr. DOGGETT. The highest rate, average rate in the State is \$13; the lowest is \$7—individual States.

Mr. JOHNSON. The way the law is set up, unless a man has a basic crop, that is the only chance he has—is the conservation acreage reserve?

Mr. DOGGETT. No, sir, he does not have to have a basic crop. All cropland is eligible.

Mr. JOHNSON. But I mean, he cannot come under the acreage reserve unless he has a basic crop?

Mr. DOGGETT. Right.

Mr. JOHNSON. So any particular farmer who does not have a basic crop, the maximum he can receive under the soil bank is \$13 an acre; is that correct?

Mr. DOGGETT. No, sir, it could be higher than that.

Mr. JOHNSON. But the way the law is being administered, \$13 is the maximum?

Mr. DOGGETT. On the average; yes, sir.

Mr. JOHNSON. I have one other question I wanted to ask Mr. McLain.

I have heard the statement here many times within the last few days that the vote was around 61½ percent.

Mr. McLAIN. Those that voted.

Mr. JOHNSON. Well, the vote in my district was about 2-to-1 against the plan offered by the administration. However, I would like to ask you, what have you in your plan to offer my farmers more than they were voting against 2-to-1?

They voted against the administration plan 2-to-1. Now, I have to go back to them, and if I support your plan, what can I tell them they are getting more than they were getting under the plan they voted against 2-to-1?

Mr. McLAIN. In the first place, we have guaranteed the 70 percent. And the second thing, I think that your farmers, if they are like most Corn Belt farmers today, have awakened to what they are really facing today, and they wonder what is going to happen.

Mr. JOHNSON. Then the only change has been the 70 percent?

Mr. McLAIN. That is correct.

Mr. JOHNSON. That is all.

Mr. POAGE. Any other questions of Mr. McLain?

Mr. McLain, we are very much obliged—

Mr. McLAIN. Mr. Poage, could I insert a few remarks here that summarize the statement in the record?

Mr. POAGE. Certainly you can.

I think, however, if you want to insert summaries, you had better read the summary.

Mr. McLAIN. I would be happy to do that. I would be more than glad to do it if you want it done.

Mr. POAGE. I think we should.

Mr. McLAIN. All right.

I should like to take this opportunity to emphasize some of the major points made in my presentation of January 30, 1957, as follows:

1. It is imperative that the soil-bank program achieve its objective with respect to corn as well as other basic crops under the soil bank. This objective is to reduce production. The current program available to corn farmers will not do this. As a matter of fact, it is likely that corn acreage will be increased. A change is needed.

2. The immediate effects of continuation of the present corn-allotment program will be felt first by corn farmers and other farmers who sell feed grains. However, even more important, the secondary effects will be felt by livestock, dairy, and poultry producers in every agricultural county in this country. Livestock, dairy, and poultry sales provide about 55 percent of the cash income from marketings by farmers.

3. Estimated carryover at the end of this marketing year of 1,475 million bushels of corn, practically all of which will be owned by CCC, will be extremely costly to carry in storage and will bear down on the entire agricultural price structure. The \$217 million budgeted for approximately 5 million acres of corn under the soil bank is a wise investment under these circumstances since it will cost both the Government and the agricultural economy much more if the production from 5 million acres is moved either into the markets or through feed channels.

4. It is our recommendation that the administration bill containing a minimum and maximum of 70 to 90 percent of parity, respectively, be approved.

5. The corn loan in the noncommercial corn area under the administration bill would be 82½ percent of the commercial corn area support level. Under the current legislation, as it stands, it will be 75 percent. This would increase supports by 6 cents per bushel in the noncommercial corn area.

6. Because of the requirement that producers comply with all acreage allotments in order to be eligible to participate in the soil-bank program, producers of wheat, cotton, and tobacco in the commercial corn counties will be at a serious disadvantage, unless the base acreage program is adopted.

7. With respect to whether or not price support will be made available to noncooperators in the absence of new legislation, certainly we would not stand idly by in the case of a collapse of corn and other feed grain prices.

However, in the determination of the level of, or the need for price support to noncooperators we would take into consideration the most recent reports on livestock production, plantings intentions, rates of disappearance, and other factors. Our major objective here would be to act in the best interest of grain and livestock farmers as well as other segments of agriculture.

8. And, finally, with respect to the 1957 level of price support to co-operators under the proposed administration bill, it should be noted that under the same criteria, we announced a price support of \$1.31 per bushel prior to the December 11, 1956, corn referendum. In the event of the passage of the administration bill, we intend to provide price support at this level to co-operators. This is what 61 percent of the corn farmers who voted favored. We will heed their counsel.

Mr. Poage, I want to thank you for the opportunity of appearing before your committee and presenting the Department's position.

Mr. POAGE. We appreciate your appearance and your time and patience.

We have several more witnesses, and we only have time for probably one very short one.

Off the record.

(Discussion off the record.)

Mr. POAGE. Can you make it in 5 minutes?

Mr. PARKER. I think I can make it in 5 minutes; I can file it and summarize it.

Mr. POAGE. Then let's proceed.

STATEMENT OF JOSEPH O. PARKER, LEGISLATIVE CONSULTANT TO THE NATIONAL GRANGE

Mr. PARKER. Mr. Chairman, my name is Joseph O. Parker, and I am acting today as legislative consultant to the National Grange and presenting this statement.

If I may be permitted to, I would like to file this short three-page statement for the record.

Mr. POAGE. Without objection, it will be included.

(The statement of Mr. Parker is as follows:)

STATEMENT OF JOSEPH O. PARKER, LEGISLATIVE CONSULTANT, THE NATIONAL GRANGE

The National Grange appreciates the opportunity of presenting its views on H. R. 3011 and similar bills which would make alterations in the farm program with respect to corn. There is an obvious need for some helpful action in connection with the corn program if our objective is to obtain a reduction in corn acreage and some degree of price stability.

Farmers are not enthusiastic about the 1957 corn program as it now stands. From the standpoint of the individual corn producer, and from the standpoint of farm income and the national economy, a reduction in corn acreage in the com-

mercial corn area from 53 million to 37 million acres in 1 year is too severe to be acceptable. Obviously there will be little, if any, compliance with allotments or participation in the soil bank under these controls.

Since the authorization of the soil-bank program last year, the hope has been expressed in many places that it would become an effective tool for substantial adjustment in the production of corn and other crops. In the Grange we seriously doubt whether the soil bank, as it has been implemented, will bring about any substantial reduction in the harvest of corn. Similarly, we doubt whether the program will contribute materially to a reduction in Government-held stocks of other farm commodities, or to any major improvement in the farm income situation.

BASIC CHANGES NEEDED

Probably it is already too late to try to draft and gain enactment this year of a program with a better chance for successful attainment of beneficial production adjustment and increased farm income. Basic changes are necessary in the farm program if we are ever going to get peacetime production adjustment, wise land use, expanded markets, and a more equitable return to producers for farm commodities. We recognize, as a practical matter, that considerable educational work is going to be necessary in many places before the needed changes can be accomplished.

Under the circumstances, it becomes essential to buy time and hold the line as well as possible against overproduction and inadequate income while the important preparatory work is carried on for a more effective approach to some of our agricultural problems.

With certain modifications, we believe H. R. 3011 would be a help in the present dilemma.

A BAD BARGAIN

The Grange view, however, is that the present corn proposals are efforts to make the best of a bad bargain.

On this basis, and as a temporary expedient, we would agree to establishing again, for 1957, a corn base acreage of 51 million acres, and price support to co-operators at a level not less than 75 percent of parity, if provision is made to obtain an adjustment in corn acreage.

We believe, therefore, that it would be desirable to require that a farmer, to be eligible for price support or soil-bank payments under this program, reduce his corn planting by 15 percent below his base allotment for corn. This is essentially the program which the Congress provided last year and the one which received the approval of about 61 percent of the farmers voting in the recent corn-program referendum. Many different reasons have been assigned for the vote of the farmer, but many farmers undoubtedly voted against the program—or decided against voting at all—because of the provision which would have placed, thereafter, the level of price support solely at the discretion of the Secretary of Agriculture.

The referendum was one way for corn farmers to manifest their dissatisfaction and to indicate the need for a better program.

As we have already indicated, we have no confidence that enactment of these recommendations would provide any satisfactory or lasting solution to the problems plaguing corn growers. Perhaps the best thing that can be said about them is that they would give us something better than now exists with the 37-million-acre corn allotment, and certainly they are to be preferred to the scramble which will prevail if we have no effective corn program at all.

Part of our uneasy feeling about the present efforts to bail out the corn program arises from the conviction that an effective corn program must be related to other major feed grains and be applicable to all corn and feed-grain producers.

SMALL REDUCTION IN FEED GRAINS

We recognize, of course, that the conservation reserve section of the soil bank was originally intended to provide some incentive for a material reduction in the feed grain crops, but we have no confidence about the bank's effectiveness, as it is now set up, to reduce total feed-grain production.

The Grange position over the years, as this committee is well aware, has been to advocate the formulation and use of individual commodity programs, specially developed for the unique production and distribution requirements of each of the principal farm commodities. The Grange continues to advocate this route as the

best means of developing effective programs, increasing net farm income, and bringing about improvement of the agricultural situation generally.

The present scramble to patch together some kind of a corn program serves to emphasize the fundamental agricultural question now facing us. Will we have the foresight to make the needed changes in our farm program in time, or will we wait until the urgencies of another real farm depression force us to action?

Mr. PARKER. And if you have copies, if you will turn to page 2, I think that is the pertinent part of our statement.

First, I might add that this statement is presented and is predicated on the belief that there is some need for some helpful action in connection with the corn program if the objective is to obtain a reduction in corn acreage and to provide some degree of price stability.

We think that a reduction which would be required under the present allotment of from 53 million to approximately 37 million acres, is too severe in any one year.

The Grange view, however, is that the present corn proposals are efforts to make the best of a bad bargain. On this basis, as a temporary expedient, we would agree to establishing again, for 1957, a corn base of 51 million acres and price support to cooperators at a level not less than 75 percent of parity if appropriate provision is made to obtain an adjustment in corn acreage.

We believe that it would be desirable to require that a farmer, to be eligible for price support or soil-bank payments under this program, reduce his corn planting by 15 percent below his base allotment for corn.

Then, this is essentially the program which was provided last year and the one which received the approval of approximately 61 percent of the farmers who voted in the recent corn referendum.

Many different reasons have been assigned for the vote of the farmer, but many farmers undoubtedly voted against the corn program or decided not to vote at all, because of the provision which would have thereafter placed the level of price support solely at the discretion of the Secretary of Agriculture.

The referendum was one way for the corn farmers to manifest their dissatisfaction and to indicate the need for a better program.

As we have already indicated, we have no confidence that the enactment of these recommendations would provide any satisfactory lasting solution for the problems plaguing corn growers. Perhaps the best that can be said about them is that they would give us something better than that which now exists with the 37 million acre corn allotment, and certainly they are to be preferred to the scramble which will prevail if we have no effective corn program at all.

And that is the reason that the Grange is recommending, in effect, that this program, or whatever program this committee may decide to present, be limited to 1 year as the 1-year emergency type of legislation until this whole matter can be examined further, and it can be ascertained what results might be achieved under a program similar to those being proposed.

Mr. POLK. Mr. Chairman, may I interrupt the witness?

Mr. POAGE. Yes, sir.

Mr. POLK. I am wondering just how a 1-year program is going to effect our livestock farmers out in the Corn Belt.

Their feed and the number of head of livestock is usually determined by the number of bushels of corn they are producing, or other feed grains. In my particular area, corn is the principal feed grain.

It seems to me that our livestock people should have a little longer period. Livestock production and marketing requires a lot of planning ahead, and a livestock producer likes to know more than 1 year ahead what he is going to be able to do, how much corn he is going to be able to produce, so that he will know how many head of livestock he is going to be able to feed.

So it seems to me we should have at least a 3-year program. That seems to me to be about the minimum for our livestock people.

What is your thinking on that?

MR. PARKER. Well, I think it is desirable, Mr. Polk, that we have programs that can operate for a long-range period of time. To adopt a program, though, between now and the time which it must be adopted, if you are going to meet the present corn-planting season, does not mean that this Congress should not consider at a later date, and in perhaps this session of Congress, a long-range program. Later on, in this session of Congress, it would be possible to ascertain to what extent corn farmers had availed themselves of this emergency program. It is entirely voluntary.

Frankly, we do not believe that there will be a very great reduction in corn production under this proposal.

MR. POLK. Thank you.

MR. POAGE. Continue.

MR. PARKER. We recognize, of course, that the conservation reserve section of the soil bank was originally intended to provide some incentive for a material reduction in the feed-grain crops, but we have no confidence that the bank's effectiveness, as it is now set up, will reduce total feed-grain production.

The Grange position over the years, as this committee is well aware, has been to advocate the formulation and use of individual commodity programs, specially developed for the unique production and distribution requirements of each of the principal farm commodities.

The Grange continues to advocate this route as the best means of developing effective programs, increasing net farm income, and bringing about improvement of the agricultural situation generally.

The present scramble to patch together some kind of a corn program serves to emphasize the fundamental agricultural question now facing us. Will we have the foresight to make the needed changes in our farm program in time, or will we wait until the urgencies of another real farm depression force us to action?

Now, Mr. Chairman, the Grange has been very cognizant of the corn feed problem for some time, and we believe and recognize that the corn problem and feed problem are interrelated.

In other words, when we testified in favor of domestic program for wheat during the last session of the Congress, we pointed out that as wheat acreage had been reduced approximately 20 million acres, that a good portion of that acreage had, in fact, gone into feed grain production, and that that acreage actually resulted in an increase in feed grains of approximately 11 million or 12 million tons.

I am speaking from memory as to these figures.

Whereas, if the acreage had been left to wheat, and all of the wheat from that acreage had actually gone into feed, you would only have had about 7.5 million tons of feed.

So as a result of using the diverted acres for other feed grains instead of wheat production, we actually increased total feed grain production by about 4 million to 5 million tons.

One of the members raised the question this morning, to the prior witness, Assistant Secretary of Agriculture, as to whether or not it would not be more feasible to attempt to develop a program which would reduce total feed grain production by reducing the feed grains that are being produced on these diverted acres.

The grange would be very sympathetic to some such point of view if a program could be perfected in time for enactment in order to meet the corn-planting deadline.

Thank you, Mr. Chairman.

Mr. ABERNETHY. Mr. Chairman?

Mr. GRANT. Mr. Abernethy.

Mr. ABERNETHY. Mr. Parker, as I understand your statement, the grange uses the word "sympathetic." I will use something else, the grange would look with "favor," would it not, upon a proposal which would permit the depositing of diverted acres in the wheat, cotton, and tobacco belts in the soil bank, and in your judgment it would contribute to a solution of the surplus corn problem that now exists in the commercial area.

Mr. PARKER. That is correct. One of the problems that in plaguing the present corn grower is the increase in other feed grain production which comes about primarily from the diverted acres.

Mr. ABERNETHY. Well now, do you think that the reduction of acreage in the commercial Corn Belt will solve the surplus corn or grain problem?

Mr. PARKER. Let me answer that two ways: We do not see how this present bill is going to obtain a very large reduction in corn, even in the commercial corn area. And so consequently, if it does not, then we will not have reduced total feed grain production by any substantial amount.

Mr. ABERNETHY. You say "this bill." What bill do you have reference to?

Mr. PARKER. Well, I am referring to the bill that was originally before the committee, H. R. 3011. There are a number of other bills now, I understand, before the committee.

Mr. ABERNETHY. Well, does your statement apply to the bill that was sent over by the Department?

Mr. PARKER. I think it would apply equally to the bill sent over by the Department, yes.

Mr. GRANT. Thank you very much, Mr. Parker.

Mr. Andersen will be the first witness tomorrow, and I would like to ask if Mr. Weise is in the room, if he would like to be heard tomorrow.

Mr. WEISE. Yes, sir. Thank you.

Mr. GRANT. The committee will adjourn until 10 o'clock tomorrow morning.

(Whereupon, at 12 noon, the committee adjourned to reconvene at 10 a. m., Wednesday, February 6, 1957.)

ACREAGE RESERVE ALLOTMENT FOR CORN

WEDNESDAY, FEBRUARY 6, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to recess, at 10 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Mr. POAGE. The committee will please come to order.

Mr. ANDRESEN. If I may have a moment's time. I have a lot of good friends here from Minnesota who are visiting the Nation's Capital, and they are all farmers and farmers' wives.

We do want to welcome you down here. We have had representatives of your organization here to appear before our committee.

This we feel is one of the most important committees in Congress, because we deal with the welfare of American agriculture. I have been on this committee a good long time. Most of the members here on the committee are members who have had long service.

We deal here with farm problems.

And I am happy you are here. And I hope you will have a good stay while you are in Washington.

Mr. POAGE. Thank you, Mr. Andresen. The Chair had not been informed about the visitors, but I take it this is a group of Farmers Union folks from Minnesota. Is that right?

(Cries of "yes.")

Mr. POAGE. Thank you. We are delighted to have you. I want you to know that we value your representation on the committee. Mr. Andresen is the ranking minority member on the committee. Mrs. Knutson, also, from your State, is a member of our committee. We think very highly of her. And Mr. Andersen who is about to testify this morning is another very fine Member of Congress from the State of Minnesota, who is of great help on all agricultural problems.

Mr. ANDERSEN. Thank you, Mr. Chairman.

Mr. POAGE. You see, the State of Minnesota is well represented from an agricultural standpoint.

I also call attention to the fact that Mr. Fred Marshall from your State is a member of the Appropriations Subcommittee, along with Mr. Andersen, and that that subcommittee handles the agricultural problems in the Appropriations Committee.

I do not know of any State that is better represented from the standpoint of agriculture than is your State of Minnesota.

We are particularly happy that you came here this morning when Mr. Andersen is just about to present a matter that we conceive as being of extreme importance to all agriculture.

Mr. ANDERSEN. Would you permit a statement?

Mr. POAGE. Yes.

Mr. ANDERSEN. The gentleman in the chair, Mr. Bob Poage from Texas, is one of the best friends of agriculture, in or out of Congress.

I don't know of a gentleman in the Congress who has done more for the farmer than the chairman sitting in that high seat this morning.

And I would like, Mr. Chairman, if you would permit me to say as Mr. Andersen has said that we certainly are glad to welcome these people here this morning. We are sure that their visit to the Capital and to Congress will be very well repaid by what they gather for their own information.

Thank you.

Mr. POAGE. Thank you.

And now we will be delighted to hear from you, Mr. Andersen. Mr. Andersen has been here waiting on this committee for several days to present his views and to hear other views. We hope that he has not entirely lost his time. We will be glad to hear your presentation now.

STATEMENT OF HON. H. CARL ANDERSEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MINNESOTA

Mr. ANDERSEN. Mr. Chairman, as you have said, I have been here for some days listening to the testimony. And because of that, I would like to ask permission to extend my remarks at this point in the record and proceed more or less on an informal basis.

Mr. POAGE. Without objection permission granted.

Mr. ANDERSEN. I have a bill before the committee, Mr. Chairman, H. R. 3728, which has for its primary purpose the accomplishment of five objectives.

The bill in the first instance agrees absolutely with that as put in by Mr. Andersen and other gentlemen upon this committee relative to the 51 million acre minimum allotment for corn.

I feel this, Mr. Chairman, that the Midwest cannot subsist upon less than that guaranteed corn acreage. And I refer to the economy of the Midwest. I say that in the same manner as I feel that the South cannot exist without having at least the 17 million acres of cotton as provided in their allotment.

Personally, I feel that it is important business for the Congress to not set a figure too low for allotments for any basic crop because there is nothing which would provide, Mr. Chairman, the additional income needed for those various sections of the country.

I am quite in agreement with your statement, Mr. Poage, which has been brought out several times in the hearings heretofore that some means should be devised to permit producers of all basics to put land into the acreage reserve in excess of the present allotment.

That testimony has struck a chord with me.

I am speaking mainly about corn this morning but at the same time I want to give to cotton, to tobacco, to rice, and to wheat and peanuts the same consideration as basics as we are asking for corn.

But I feel in connection with corn, for example, that we should say that it is good for the Nation's economy to establish a base from which

we start our line of thinking of, say, 60 million or 65 million acres. The figure would have to be determined.

Well now, if we are asked to cut down from that to 51 million acres, if that allotment is established, there should be some means established to pay cooperators acreage reserve payments, taking into consideration their share of the so-called base down to the allotment.

The same thing should apply to cotton. We should say to the cotton people, "You certainly are entitled for the good of the economy of the South, that you produce, you should in normal times produce for example, 20 million acres."

We should then take that 3 million acres in there above the present allotment or at whatever the allotment is set, and make arrangements to provide, to divide out acreage reserve payments to the farmers who do cooperate.

And I hope that the committee in going into a long-range bill, Mr. Chairman, will go carefully into this. And I want to remind the committee that all through the years, my 18 years here, I have not been fighting for just one commodity—I remember when I helped you gentlemen from the South keep peanuts as a basic—I have helped cotton in many ways, in my subcommittee.

I believe that all of us should approach this problem not from just our own immediate region but from the welfare of all agriculture.

If I leave nothing else here this morning, I must leave a plea for this great committee to stand together united for agriculture. Otherwise, if we do not, we are going to fall separately, and not achieve what we should achieve for the farming industry.

Mr. POAGE. Would you permit an interruption?

Mr. ANDERSEN. I certainly will.

Mr. POAGE. I agree with you so thoroughly that many of the ills of agriculture today stem from the efforts of each of us to try to put our foot on the other fellow's face and climb up over him, rather than working together.

And I feel so strongly that if we ever are to solve the problems of agriculture that we must eliminate the friction between the various producers of different crops and all work together, that I want to commend you for that statement.

And I want, too, to commend the gentleman as an individual for having actually exercised the kind of cooperation that he suggests here because there has not been anybody in the Congress in the past 18 years who has worked harder to try to cooperate and to try to bring about a unified approach on the part of agriculture than Mr. Andersen has.

I say that in all fairness. I have said it many times of him. Having often had him before our committee to express his views, which I agree with so thoroughly.

Mr. ANDERSEN. Thank you, Mr. Chairman. To me this great committee, this great legislative Committee on Agriculture is perhaps the most important one committee in the Congress, because it is what you gentlemen do which will determine the economy of agriculture nationwide.

And unless we have a prosperous agriculture, gentlemen, we can look forward to a nation which is not prosperous. A lot of people forget that salient point that here in this committee you people are dealing with the basics of our entire economy.

And consequently, the legislation coming out of this committee is far more important to my way of thinking to every one of our 170 million people in these United States, than can possibly come out of practically any other committee.

And that is why I am so interested in sitting in here and thinking with you folks and trying to determine what is best to do for agriculture.

First of all, I agree with the bill asking for a minimum of 51 million acres allotment on corn.

The second point is, I think that that allotment should be based largely upon the tillable acreage on the farm. I think it is a mistake to give to one farmer, for example, with 320 acres whom I have in mind an allotment of 90 or 100 acres simply because he has been mining his soil in the past and has not been putting in the proper amount of legumes that he should and right across the road from him is a man who has a lot of alfalfa and clover and so forth, and because he has been a good farmer and kept his corn acreage down to a reasonable amount, say, about 70 acres, when the allotment comes along he is given about 45 acres.

I think that is wrong. It is penalizing the good farmer.

So I would urge upon the committee that they at least give the tillable acreage major emphasis in splitting up these allotments.

The third point, gentlemen: Here we come to a basic difference in what we are doing today.

We have heard all through the Congress time after time—I have heard men all through America, men and women say, “Well, the price support plainly helps the big operator.” I think this Congress would go down as a great Congress if this committee would in the next 2 years bring out some permanent legislation designed toward helping the family-sized farm in the price-support program.

My bill calls for 90 percent of parity supports for the first 4,000 bushels of corn production per farm. I say again I am talking for corn.

But the same principle, I think, should be made to apply to cotton, wheat, tobacco, rice, and peanuts. This Congress should consider the little man, the family-sized farm.

Mr. ANDRESEN. Will you yield?

Mr. ANDERSEN. I yield.

Mr. ANDRESEN. As I understand your bill, it proposes that the first 4,000 bushels of corn shall be fixed at 90 percent of parity; is that it?

Mr. ANDERSEN. That is correct.

Mr. ANDRESEN. And that amount can be sealed. What about the rest of the corn where they are now raising from 80 to 125 bushels to the acre, what about the rest of the corn?

Mr. ANDERSEN. That would, of course, under the statement as has been given to us by the Department be protected as I understand it by the 70 percent offered by the Secretary. I think personally that a 70 percent protection beneath our basics is ruinous to agriculture. That is my personal conviction.

I have always been for 90-percent support to cooperators for all of their production, that is, within reason, within the acreage allotment.

Might I say at this time I cannot agree with the expressions I have heard here lately, the last 3 or 4 days, as the viewpoint of the Department of Agriculture that, first, the corn farmer, for example, can get

along with less than 51-million-acre allotment—that he can get along fine.

I cannot agree with that statement.

I cannot agree with them when they come here and advocate any 70-percent-parity protection. That is no protection.

Mr. ANDRESEN. You would rather have 75 percent or 70 percent than no floor at all?

Mr. ANDERSEN. Well, certainly, any reasonable man would say that he would rather have an additional 5-percent protection, but I at the same time cannot recede from my line of thinking, Mr. Andresen, that we in agriculture—and I talk of myself as a farmer here this morning—that we are entitled to at least the 90-percent protection, not only for the good of agriculture but for the good of the economy in general.

As far as I am concerned, I will have to say this, that neither of the bills before the committee here, either the administration bill for 70 percent as I understand it, or the 75 to 90, neither of them will do the job that we know has to be done, gentlemen.

That is, to get compliance with allotments and land in the soil bank.

There is no incentive to the farmer with any 75-percent guarantee on production in the line of price supports, Mr. Andresen. There is no incentive to him to take land out of production.

And I believe that should be the basic thing in the backs of your minds. Is any legislation we pass here going to do what we want to have done, that is, get land out of production and into the soil bank.

If it does not answer that question, in the affirmative, and I say to you that the 70 or the 75 will not answer it affirmatively, I do not then think that this committee has done the job it should have done.

Mr. POAGE. Of course, you know I agree with you about your thinking and have always voted the same as you have on that.

I also agree with you that we must have a reasonable production base. But the Department yesterday testified they thought that corn farmers could do with 51, and they thought they could get along if they cut it down to 37.

Mr. ANDERSEN. They do not know what they are talking about.

Mr. POAGE. And that it would be all right to cut cotton down to 15 million acres.

Mr. ANDERSEN. There again I say they are not close enough to the soil to know what they are talking about.

Mr. POAGE. That is true, of course.

Mr. ANDERSEN. May I say that this morning in my testimony, I do recede from a position I have had for 18 years, of asking for 90-percent protection on our basics. I am receding, gentlemen, in what I now ask that a compromise be made and have that apply only to the family-size farm production to the extent of 4,000 bushels.

As far as I am concerned, I do not see that I can go any further in the line of a compromise. I do not like to go even that far, but I am realistic.

Mr. POAGE. I wonder if you will give us the benefit of your thinking on what you would do with corn in the noncommercial area, and what you would do with feed grain, because I note that you say in your bill here this provision will not affect the price available to cooperators outside of the commercial-corn-producing area.

Mr. ANDERSEN. Mr. Poage, I have been very much impressed with what I have heard the past few days to the effect that we should knock

out the division of the corn production into commercial and noncommercial areas.

I believe we should just consider, gentlemen, corn as corn. Where they produce it in quantities big enough to seal, that should be the case.

We should talk of corn areas just as we talk of cotton—just the one area.

And so far as I am concerned there is no place in our economy, really, for keeping this nomenclature known as commercial area and noncommercial area.

Mr. POAGE. I agree with your statement.

Mr. ANDRESEN. We have been told that there is an emergency that exists in the commercial-corn area due to that low acreage which was brought about as a result of the referendum that was held.

In other words, to reduce it to 37 million unless some action is taken to increase it to 51 million acres.

When do the farmers in the Corn Belt begin their planting for the next 1957 crop?

Mr. ANDERSEN. I would say down in Oklahoma and southern Missouri that date would be possibly about the 20th of April, and getting up into my area it is the 8th and 10th of May.

I have farmed in Missouri in my time. I believe that I was planting corn then about the 20th of April.

Mr. ANDRESEN. Well, if this is an emergency legislation, which led me to introduce it here, do you think that we should consider the general farm provision that you have indicated? To get a bill through Congress we would have to do it soon.

Mr. ANDERSEN. The Grange representative yesterday made a very good statement in that regard. He more or less inferred to me that emergency—at least, that is what came to my line of thinking when he was talking—he seemed to bring out that emergency legislation in this connection is patchwork.

I believe that this committee can do more than patchwork even in 2 weeks' time, gentlemen, even in 10 days' time.

Certainly I realize that you cannot overhaul the whole program in 10 days' time, but I am satisfied, for example, you can do several things.

You can increase this allotment to 51 million acres—now talking about corn alone.

You can take out of the soil-bank bill the provision that prevents farmers like myself and my partner from putting good cropland into the so-called conservation reserve simply because we are not able to keep up with the corn program, and you can put in your bill a fair price-support level.

As I stated on the floor a year ago, I think that these particular 4 or 5 words were asinine when it says that a farmer must comply with his corn allotment to be eligible for the conservation reserve. Let me give to the committee how it affected my partner and myself.

We were prepared to put 80 acres of our 369 acres into the soil bank if we had been able to do so. But when we started our plans to get ready to put in corn they gave us a base of 80 acres. First, it was 68 acres. Under the base provisions they increased that to 80 acres. We could not farm on 80 acres and keep our land clean.

So we decided to open up. We put in 160 acres of corn and produced 9,600 bushels of corn.

Well, I want to get back to this conservation reserve. A quirk in the law stated that we could not put that 80 acres of land, good cropland just as good as the land that we had into corn, but simply in a different part of the rotation we could not put that in, even into the conservation reserve, the lowest paid portion of the soil bank.

I think that is wrong. That is why we had so little participation all through these 6 or 8 Midwestern States which are the heavy corn-producing area.

We used practically no money, gentlemen, out of the conservation reserve.

I would suggest very strongly that this committee recommend that that national average of \$10 an acre for conservation reserve, instead be put up to a national average of \$20 per acre.

I think the Department should be told that in our opinion, in the opinion of the Congress, that we must offer a satisfactory incentive, gentlemen, if we are going to get the acres out of production of feed grains nationwide and into the soil bank where they belong—if we are to achieve a correction of this problem.

In my subcommittee we have before us a request for \$1,254 million to implement for the next fiscal year the payments under the soil bank—\$1,254,000.

It is estimated that by June 30 we will have expended approximately that same amount in this fiscal year. When I think of that sum of money, I begin to wonder what are we getting for it, gentlemen.

Any of you gentlemen, as a good administrator, could take \$1.2 million of that money, pay \$20 an acre average throughout the United States, if we just simply went into the conservation reserve and nothing else.

You could pay from \$12 up to \$28 for good producing land and 60 million acres of good land could be put under conservation for that \$1.2 million and it would leave \$54 million for expenses.

Think what we could do if we could get 60 million acres of land out of production and into the soil bank, the real soil bank.

I want to elaborate a little bit on this, Mr. Chairman. When I first initiated the soil-bank idea in the Congress, it was my intent to take land out of production, put it into a cover crop.

My idea was not to utilize the big sum of that money in so-called acreage reserve payments because I think that is a just a temporary stopgap.

The main feature back of the soil bank is to get land out of production, put it into some soil-conserving crop for the good of future generations to come and at the same time by the taking of that land out of production, gentlemen, help to solve our surplus problem.

And I think that Congress and the Department of Agriculture have gone far afield from that original concept. And when I think that we are spending the money, anyhow, when I feel, too, what we could do with that \$1,254,000 which they are asking for fiscal 1958, it makes me wonder why we cannot see the light and go along the right road.

And the right road, in my opinion, is to get at least 50 million acres of land out of production to take care of Bob Poage's feed grain area down there, take excess land out of production everywhere throughout

the United States, and in a few years' time we would not be bothered with a surplus.

That is my opinion on that part of it, Mr. Poage.

Mr. POAGE. Will you yield there?

Mr. ANDERSEN. Yes, and to me that would be easily soluble now. We could solve the problem now.

I do not consider that it would be so difficult to make a change in the existing legislation so as to bring that about, so as to bring the emphasis on that, into our spending of the soil-bank funds for land taken out of production and put into the conservation reserve.

Mr. ALBERT. In what you are describing as an emergency, rather than rubberstamp what the Department wants us to do, you want to do something?

Mr. ANDERSEN. As long as you brought that up, Mr. Albert, I have great respect for the Congress and this great committee and for my own committees. I think we are apt at times to listen too much to what the Department asks us to do and to the executive department.

Mr. ALBERT. Every time we have used our own discretion in anything they have recommended a veto on the bill.

Mr. ANDERSEN. Gentlemen, I proceed, as I always do on any legislation, regardless of any possible threat of any veto to follow my personal opinion. I think there is embodied in this great committee here on agriculture far more real brains than we can say exists today in the upper echelon of the Department of Agriculture. [Applause.]

Gentlemen, another point, in return for putting this 90-percent support on the first 4,000 bushels of production, my bill calls for the cooperator to put at least 20 percent in one or the other category of the soil bank, to qualify for that 90 percent.

Say, if he has an allotment of 80 acres of corn on a half-section farm, he can put one-fifth of that, if he wishes, into the acreage reserve, or he can plant his entire 80 acres of corn and turn around and then if the other provision is applicable, or would be in the law, he could put whatever he wished in, but he must put at least 20 percent in conservation reserve.

Mr. POAGE. That would bring it down to approximately 40 million acres.

Mr. ANDERSEN. I believe it would have that effect, Mr. Poage; 44 million or so. Because I cannot see that possibly we can expect much more than one-half compliance even with the 90 percent.

And may I say this, gentlemen, I hope that at least if this committee can do nothing else at least it will make all farmers eligible for the conservation reserve by changing that language in the bill we passed last year.

I hope you will say that just because Carl Andersen and Henry Boll cannot keep within their allotment of corn that we can still go over and take 80 acres of good cropland and put it in the conservation reserve.

And we on the Appropriations Subcommittee, I hope, will put some sort of language in declaring the policy, at least so far as our subcommittee is concerned, as to what sort of payments should be made for the conservation reserve.

Now, gentlemen, that is about all. You have been very patient with me.

(The prepared statement of Hon. H. Carl Andersen is as follows:)

TESTIMONY BY CONGRESSMAN H. CARL ANDERSEN, OF MINNESOTA, BEFORE THE
HOUSE COMMITTEE ON AGRICULTURE RE H. R. 3728

Mr. Chairman, I appreciate the courtesy of your committee in affording me this opportunity to appear before you and testify in behalf of my bill, H. R. 3728. It is always a privilege and pleasure to come before you, just as it is to have members of the great Committee on Agriculture come before my own Subcommittee on Agriculture Appropriations. We have many common interests and I have always found your committee ready and willing to hear me, just as we are always glad to hear you. My bill covers five specific legislative points, and with your permission I would prefer to discuss them individually.

FIFTY-ONE-MILLION-ACRE MINIMUM CORN ALLOTMENT

The first provision further amends section 328 of the Agricultural Adjustment Act of 1938, as amended, to establish a minimum acreage allotment for corn beginning with 1957 of 51 million acres. As you know, this provision has been included in other bills before you and there has no doubt been previous testimony in support of the proposal. Personally, I feel this is a proper request both in principle and as to the minimum acreage allotment proposed.

We have had minimum allotments prescribed by law for wheat, rice, peanuts, and cotton. I will not impose on the time of the committee to enumerate the reasons why we should have such minimums for corn, but I feel that it is justified for the same reasons that we justified the minimums for the other basic commodities.

As you know, the acreage allotment is intended to provide some measure of control over the amount of production. It is paradoxical but true that an unrealistically small corn-acreage allotment will actually bring about more corn production, while a more equitable allotment can be expected to reduce the acreage planted to corn.

As the total allotment goes down, so does compliance, and then up goes production. In 1955, more than 51 percent of the farms in the commercial area were in compliance with allotments. In 1956, that figure dropped to less than 44 percent, and reliable opinion is to the effect that compliance will drop way down in 1957 if the allotment is not increased.

The reason for that is quite simple. If a farmer's allotment is too small for him to properly farm his land he goes out of the program; and when he goes out, he goes all the way out and really opens up on corn. The result—record production such as we had just last year.

The economic effects of excessive production are very harsh. Depressed farm-commodity markets are very costly to the American people. First, we have the loss in farm income to our farm people. Then, we have the costs of the farm programs to alleviate depressed conditions in rural areas. It is to the advantage of everyone to get production and consumption into reasonable balance, and approval of the 51-million-acre minimum allotment is the first step in that direction.

I urgently recommend to the committee favorable action on this feature of the bills before you.

APPORTIONMENT OF ALLOTMENTS ON BASIS OF TILLABLE ACREAGE

The second provision of the bill would amend section 329 of the Agricultural Act of 1938, as amended, to change the present method of apportioning the corn acreage allotment. There is good reason for this.

Under the present programs, allotments are based primarily on previous planting histories. Most farmers would prefer that such allotments be based on tillable acreages in the best interests of both the farmers and their land. Let me take a moment to illustrate. Corn is a rotation crop. A good farmer with a balanced, diversified type of operation might have had an average of 60 acres of corn on his half-section farm in past years. He had some livestock and his crops were sufficiently diversified so he planted only 60 acres of corn. Another half-section farmer across the road had no livestock and in those same years he may have planted an average of 120 acres of corn. Under the present program, the first farmer and the best farmer would have much less in allotment than the other would have. Unless the law is changed, his allotment for 1957 might be

only about 35 acres and he would find it very difficult—if not impossible—to comply with the program. If the 51-million-acre minimum allotment is approved by Congress and this change is also approved to apportion that allotment on a tillable acreage basis, each of these farmers might receive about an 80-acre allotment and both of them could follow good farming practices and stay within the program.

I have had much favorable comment from farm people on this section of my bill, and I hope the committee will look on it with equal favor. It is not only an equitable provision but it will also make its contribution to more extensive compliance with acreage allotments, and I think that is vital to the program.

NINETY PERCENT OF PARITY SUPPORTS FOR FAMILY-SIZE FARMS

The third section of my bill amends section 101 (d) of the Agricultural Act of 1949, as amended, by adding a new paragraph to the effect that price supports on corn, beginning with the 1957 crop, shall be not less than 90 percent of parity on the first 4,000 bushels.

There are several basic reasons for this proposal, Mr. Chairman. Personally, I think we would all be better off if we had 90 percent of parity supports on all the corn produced in compliance with acreage allotments, but there are some who think otherwise. As you know, this battle over price supports on feed grains is largely between those who produce the grains and those who buy the feed for their livestock operations. We who represent the feed-producing areas are in the minority and that is why our prices have been depressed. With the whole farm economy depressed, it is understandable that livestock men would want cheaper feed in hope of widening their margin, but they are finding, as we tried to tell them in the past, that livestock prices always follow feed prices down.

I hope this proposal will not reopen that old argument. It should not. Many of those who have argued against 90-percent supports have said that, first, the price-support program does not really help the little fellow and, second, that it is actually the big operator who produces the surpluses. My proposal should satisfactorily answer those claims, as my bill provides the 90-percent supports for only the first 4,000 bushels of corn produced by a complying farmer. That will take care of the small- or average-size producer and will not in any way adversely affect the big producers. As a matter of fact, the big producers will not only have this protection on their first 4,000 bushels of production but they will also have the protective effects on the balance of their production.

This section has two main objectives. First, of course, is to give the maximum economic protection to the family-size farms. In 1956, there were 1,691,377 corn farms in the commercial area. With a 51-million-acre allotment, that would mean an average of about 31 acres per farm. With an average yield of 60 bushels to the acre in our area in a good year, that would mean that most of these family-size farms would have the protection of the 90 percent of parity price supports.

The second big objective, as in the preceding sections, is to get maximum compliance with the allotment program. It is economically sound to provide a higher support rate on less production instead of a lesser rate on more production. Although the unit cost is less to the Government on the lower supports, in the long run it will end up costing more because of the excess production. What I am after is a reasonable balance between production and consumption so we can get away from this costly process of storing great quantities of corn at public expense in bins and warehouses all over the country. This section of my bill will help us reach that very desirable goal, and I hope the committee concurs in that line of reasoning.

CROPLAND EQUAL TO 20 PERCENT OF ALLOTMENT MUST GO INTO SOIL BANK

The fourth section of the bill amends section 408 (b) of the Agricultural Act of 1949, as amended, to require that a farmer, in order to be eligible for the 90 percent of parity price support on his corn, must not only be in compliance with the allotment program but must also put good cropland equal to 20 percent of his corn-acreage allotment into the soil bank. We are asking for something in the way of reduced production. This provision is similar to like provisions in other bills before you, except that my bill provides for 20 percent into the soil bank and some of the others provide for only 15 percent.

Let me briefly explain that. First, if this is approved, I hope many farmers would put the required acreage into the acreage reserve of the soil bank and thus immediately reduce their corn production potential by 20 percent. If they

will not or cannot do that, then they will have to put a like amount of other good cropland into the conservation reserve, but in that event we will have that much less production of competing feed grains like barley and oats, and that will be all to the good.

Personally, I think this is a meritorious and equitable provision and hope it meets with committee approval. However, I must urge the committee to consider this 20-percent figure only if it sees fit to approve the 90 percent of parity support figure in the previous section of my bill. If we are not to have that protection, then I would not ask for this much land to go into the soil bank and would suggest that you consider lesser figures. I earnestly hope, though, that the committee will see the wisdom of the entire program this bill proposes.

ALL FARMERS MADE ELIGIBLE FOR CONSERVATION RESERVE

The fifth and final section of this bill would amend section 114 of the Agricultural Act of 1956. This is a most desirable amendment to correct a deficiency in the bill passed last year which was obvious to many of us at the time.

Before going into this section, Mr. Chairman, may I pause long enough to say that I do not hold this committee responsible for the inclusion of that language which I now seek to amend. Under the circumstances, you had little or no alternative and I was glad that you acted so promptly on the measure. However, we have had some experience with the program and I think virtually everyone agrees that this is a very necessary amendment.

What we propose by this section is to open up the conservation reserve portion of the soil-bank program to Midwest farmers whether or not they are in compliance with the corn acreage allotment program. It simply does not make sense to tell a farmer that because he has opened up on corn he cannot put some oats or barley land into the low-cost conservation reserve. If anyone thought that this cross-compliance feature would induce farmers to comply with the corn allotment program, I can assure you that it has been no inducement whatsoever. The payment rate on the conservation reserve is so low in the commercial corn area that it is not at all attractive and a farmer would go into it for other than economic reasons.

I urgently recommend to the committee that it give its approval to this amendment. Again I am trying to get production into better balance with consumption and to do that we must open up all doors in the productive Midwest and encourage farmers to go into the soil bank. I hope the committee will act favorably on this amendment.

ILLUSTRATION

Mr. Chairman, this is not just an idea or a theory I am talking about—it has practical application. To illustrate, I would like to take just a moment to apply it to my own farm near Tyler, Minn.

I have 369 acres of land, about 330 of it in cultivation. The young man actually farming the land and I sit down each year and figure out what we will do, just as millions of other farmers do. First, let me show you what we did last year—and these are all approximate figures :

1956

Crop	Average yield	Total yield	Unit price	Total value
	<i>Bushels</i>	<i>Bushels</i>		
160 acres of corn.....	60	9,600	\$1.17	\$11,232
90 acres of flax.....	8	720	3.10	2,232
60 acres of barley.....	20	1,200	.90	1,080
Total crop value (gross).....				14,544

Now, let me take that same farm and illustrate what we might do in 1957 if my bill or its principles are enacted into law :

1957

Crop	Average yield	Total yield	Unit price	Total value
	<i>Bushels</i>	<i>Bushels</i>		
72 acres of corn.....	60	4,320	\$1.54 1st 4,000 bushels.....	\$6,160
			\$1.25 next 320 bushels.....	400
18 acres of corn acreage reserve.....	0	0	\$40 per acre.....	720
90 acres of flax.....	8	720	\$3.10.....	2,232
70 acres of barley.....	30	2,100	\$0.90.....	1,890
80 acres conservation reserve.....	0	0	\$20 per acre.....	1,600
Total crop and soil-bank value (gross).....				13,002

There is the comparison between last year and 1957 under the legislation I propose. First, compare the economics. Our gross income would be down about \$1,542, but so would our cost of production because we would plant much less corn. Economically, we would come out almost the same after expenses and I think that is sufficient incentive for us to go into the program.

Next, let us compare the production. Our big problem, as has so often been said in this committee, is excess production. Here is the significant part of the picture. If my bill is approved, it would result in a reduction in production of corn amounting to 5,300 bushels. Note that figure. Last year, we produced 9,600 bushels. Under this program, in 1957 we would produce only 4,320 bushels. That, gentlemen, is a 55 percent reduction. That is something worth talking about. Note also that I will probably only produce a few hundred bushels more of barley, and I would have done that last year if our yield had not been unusually low and 20 acres had not been drowned out in a heavy rain.

To complete the illustration, let us take all of the other noncompliance corn acreage in the commercial area last year and apply the same reduction. I think my plans are reasonable and might well be a pattern for other farmers. In 1956, noncomplying farmers in the commercial area planted 36,761,068 acres to corn. To be very conservative, let us apply a 40-bushel average yield to that and we come up with production of about 1,470,442,720 bushels. Now, let us again be conservative and apply to one-half of those farms only a 50-percent reduction instead of my 55 percent and you can readily see a potential reduction in production of 350 million bushels under the program I am advancing. That estimate relates to the noncompliance corn alone and does not even take into account the potential reduction on the 22 million acres in compliance last year which could surely be expected to meet at least the minimum 20-percent requirement in the soil bank under the proposed legislation.

A year or so of that type of program, Mr. Chairman, and you would see the Department cutting back the corn acreage reserve program to maintain necessary supplies of corn.

One final word. As far as I am concerned, if the Congress should see fit to enact anything comparable to the program suggested by the Department of Agriculture, my partner and I will have no alternative but to produce in 1957 as we did in 1956 and take our chances on the market. What will be the result? Simply this. Further income reduction to farmers and livestock men due to overproduction of feed grains and a further increase in the surplus. Our principal problems will be compounded rather than relieved.

As a member of the Subcommittee on Agriculture Appropriations, I am even more interested in getting something in return for the money we spend. The budget now before my subcommittee calls for \$1,254 million in soil-bank appropriations.

It is true that under any of the bills before your committee we could spend many hundreds of millions of dollars of soil-bank money. But will we get results? We want two things—and they are both important. One is the reduction of surplus production and the other is the conservation of our soil and water resources. We need the legislation I propose to accomplish those essential objectives.

My subcommittee now has investigators in the field looking into the soil-bank program and we intend to do all we can to see that necessary improvements are

made. I hope that your committee will give us the legislation we need to facilitate those improvements and enable the soil bank to do the job it is intended to do.

Mr. Chairman, may I again thank you and the members of your committee for the very courteous reception you have given me. I am sure you will give careful consideration to the suggestions I have laid before you.

Mr. JOHNSON. I have one question. In the area that I represent which is mainly a dairy area, it would be to put pastureland under the soil-bank program.

Would you be in favor of helping my idea behind that? The proposal is to reduce the amount of surplus dairy farming, you see.

Mr. ANDERSEN. I would think, Mr. Johnson, that that would have to be given very careful study by the committee. In fact, I haven't done much study on that particular point.

I would have to say that your question should be answered by others who have more information on that.

Mr. JOHNSON. What is the average conservation reserve in amount in the State of Minnesota?

Mr. ANDERSEN. I believe 10 to 12 dollars per acre. I am not positive. But there has been very little participation. That is the pitiful part of it.

Mr. JOHNSON. Because of the low payment; don't you think?

Mr. ANDERSEN. Why, certainly.

May I leave that thought with you gentlemen, that whatever legislation you pass, please put in there sufficient incentive so as to get compliance, first of all, with the corn allotment; secondly, with getting land into the soil bank. Those are the two main features.

If you do not put that incentive in there up to the point where it will get that compliance, Mr. Chairman, I would say whatever legislation passed here by this great committee has not done what it is supposed to do.

It will not achieve the purpose.

Thank you, sir.

Mr. McINTIRE. I was interested in your observation relative to conservation reserve. Am I correct in drawing the conclusion that your original thought in the legislation that you introduced was that the vehicle of management production as between Government and producer would rest around the conservation base and that the payments made would be in reducing the nonconserving of crops, passing the land into the conservation reserve and its payment would be adequate for that to provide an incentive to draw the land out of production of crops which were in surplus?

Mr. ANDERSEN. You express my viewpoint 100 percent.

Mr. McINTIRE. That is somewhat along the same line as has been set forth before the committee of the Soil Bank Association, within the same general theory.

Are you familiar with what they have discussed before the committee in the last year?

Mr. ANDERSEN. No, sir; I am not. I do know that the soil conservation people are very much interested in this so-called conservation reserve section of the soil bank.

Mr. McINTIRE. The Soil Bank Association?

Mr. ANDERSEN. There is no conservation in the acreage reserve, Mr. McIntire. We might as well realize that.

Mr. McINTIRE. I realize that.

Mr. ANDERSEN. That is just a temporary gesture. The soil bank to me means the conservation reserve, because if we cannot get these farms put under alfalfa or clover or something of that nature to improve the soil, there is not anything in there to give them the right to be designated in the soil bank.

I have just noticed that my colleague, Mr. Jensen, who has joined with me in the introduction of this bill is now here in this committee room, and I think all of you gentlemen will agree that if there has been any man in the Congress who has been fighting for soil conservation throughout the years, it is Mr. Ben Jensen, of Iowa.

And I am delighted to have him as a cosponsor with me of this particular legislation. And unless there are further questions, Mr. Chairman——

Mr. POAGE. There are further questions.

I expect to recognize Mr. Jensen in just a moment. Mr. Watts wanted to ask a question.

Mr. WATTS. I want to express to you my deep appreciation as a representative of our farmers for the splendid work you have always done since I have been here in connection with agriculture.

Mr. ANDERSEN. Thank you.

Mr. WATTS. There are a few questions I would like to ask you.

I am in agreement with your statement that there should be some room for all of these crops to go into the soil bank.

Mr. ANDERSEN. Yes, sir.

Mr. WATTS. Now, have you given any thought as to what basis we should use in determining what the soil-bank acreage should be?

You say 51 million for corn. You say it might go up to 60.

Mr. ANDERSEN. Mr. Watts, of course, in connection with a thing like that I have to depend upon this committee which has far better knowledge of the facts than I have in that regard, but here is my general line of thinking.

I believe all over America this year we produced about 76 million acres of corn. Consequently, drop that 10 million acres to about, say, 65 or maybe 15 million acres, to 60.

I would first consider that as a base to operate from.

I think we need at least, over a 10-year period, 60 million acres of production of corn.

Temporarily, because we have a surplus, let us then say from that 60 million figure, drop or put into the acreage reserve down to the 51 million acre allotment, or 52, whatever this committee might set it at.

Let us put that additional 8 or so million acres there and give the farmers concerned an opportunity to put that into the acreage reserve if they will comply.

Mr. WATTS. That is the difference between the 60 and the 51.

Mr. ANDERSON. That is right.

Mr. WATTS. And then——

Mr. ANDERSEN. I say the same for cotton.

Mr. WATTS. And allow the production of 51 million acres of corn?

Mr. ANDERSEN. A minimum production of 51 million by allotment?

Mr. WATTS. By allotment?

Mr. ANDERSEN. Yes. I think it is ruinous for our economy to go below that point, ladies and gentlemen. It may be that we should set that point at 54 million, but I certainly, do not subscribe to any

line of thinking advanced here by the Department of Agriculture yesterday to the effect that the Midwest farmer can get along with any 40 or 44 million acres of corn production.

The economy is going to suffer.

Mr. JENNINGS. Will you yield there?

Mr. WATTS. Yes.

Mr. JENNINGS. You stated you thought there were 76 million acres of corn. Are you talking about commercial as well as noncommercial?

Mr. ANDERSEN. That is right.

Mr. WATTS. I was wondering if there was any year or group of years that we could go back to and get the production records of all of these crops, and arrive at the figure for not only corn, but cotton, tobacco, wheat, and rice.

In other words, all of us agree that all of these crops ought to have pretty much the same kind of treatment.

Mr. ANDERSEN. That is right.

Mr. WATTS. And you do not know of any period of time or any group of years that we could go to on all of these crops, so that everybody would get the same kind of treatment?

Mr. ANDERSEN. I say the last 20 years' production on an average.

Mr. WATTS. On an average?

Mr. ANDERSEN. Yes, I think that would be fair. Of course, we have produced surpluses at times but, remember this, and always please keep in mind that it is much better to have a surplus than it is to have a deficiency. If we do not produce enough food in this great Nation of ours to give to the consumer his food at a reasonable price, then we will be in difficulty.

Mr. WATTS. I have 1 or 2 further questions.

Mr. ANDERSEN. Thank you.

Mr. WATTS. You spoke about doing away with the differential between commercial and noncommercial corn.

Mr. ANDERSEN. Yes. I think that would be wise.

Mr. WATTS. If you did that you certainly would have to raise this base acreage considerably above 51?

Mr. ANDERSEN. That is what I had in mind when I mentioned the 60 million base. Certainly, if that was done we would have to put the allotment up to at least 55 million acres.

Mr. WATTS. Everyone that raises corn would have an allotment?

Mr. ANDERSEN. I think they should have, just like the same thing applies to the other basic crops. I think this is all folderol about splitting the corn area into two parts.

Mr. WATTS. What would be your thinking as to whether or not those acreages should be compulsory?

Mr. ANDERSEN. I do not like compulsion but the legislation as proposed by the Department seems to me to be putting more compulsion than ever on the farmers of America because they will set the allotments so low—I am speaking about perhaps 44 million or 37 million, the original figure—they set that allotment and the price, the guaranteed price so low, gentlemen, that there is no other place for the farmers to go but not to comply for their own economic good.

And when they do not comply then we are going to get into worse conditions than ever and from that we are apt to get into compulsory marketing quotas. I do not like it.

Mr. WATTS. But if you did set this acreage higher—this incentive—you would get almost 100 percent compliance; wouldn't you?

Mr. ANDRESEN. With 90 percent support on the family-sized farms, yes; production of 4,000 bushels.

Mr. WATTS. And if I followed you, it would be your idea that we concentrate on the conservation reserve and that we spend our money there instead of this temporary thing you call acreage reserve?

Mr. ANDRESEN. If I had anything to say about it, we would not spend a dime on the acreage reserve. We would spend on what was originally intended for it to be spent on, that is, the soil bank, my original conception of it.

I can recall 4 years ago when Secretary Benson sat across from me in my committee room and he told me the soil bank would not work. He turned me down when I urged, as I had previously in 1953, that the soil bank be put into effect.

I argued with him that day. I said, "What is wrong with the general conception that we take land out of production and put it into a soil bank, Mr. Secretary, and thus do away with this surplus and give the farmers incentives to take that land out of the production?"

Well, he told me, and the record will show—he told me that day that it was unworkable. I do not think it is unworkable.

Of course, it took that honorable gentleman—it took him 2 years to come across to my line of thinking on the soil bank, just like it has taken him 4 years on another matter.

In that same hearing I tried to convince him that cheap feed-grain prices meant cheap livestock in the final analysis. It has taken him 4 years to come to that conclusion.

Just the other day he did officially announce that he agreed with that premise.

I wanted to point that out to show that I do not think that there is as much—and I repeat—good commonsense in the top echelon of the Department of Agriculture as there is embodied right here in this room with you ladies and gentlemen sitting on this committee.

And I hope you will keep in mind. I know you will. I am talking to everyone of you, a very close personal friend of mine, on both sides of this committee.

And if I leave no other thought with you, let us remember that whatever legislation is passed here must do two things; that is, first, help the general economy of the farmers of America, and, second, make it possible for the average farmer to comply with allotments and put some of his land into the soil bank for the good of future generations and also to solve this problem, this severe problem of temporary surplus which we have today.

Thank you, ladies and gentlemen.

Mr. BELCHER. Mr. Andersen, you have heard the argument put forth that corn is pricing itself out of the market.

Mr. ANDERSEN. I am glad you brought that up. I telephoned back to my elevator and asked them what they were paying for good No. 2 corn, \$1.09. That is top corn.

Corn has dropped 19 cents below last November, back in our area.

If you folks will just check you will find that since they began to talk about this 70 percent support which would be the maximum that would be offered by the Department of Agriculture, the level

of corn prices all through the Midwest has dropped off 19 cents a bushel.

That has cost my partner and myself plenty of money as it has cost every corn farmer in the Midwest.

Mr. SIMPSON. That corn that is priced at \$1.09 at the elevator is corn that is not in compliance.

Mr. ANDERSEN. That is the price of corn brought into the elevator in my hometown. Certainly, it would be noncompliance corn.

Mr. SIMPSON. Under the 1938 law you have to buy corn, Government corn at support price plus 10 percent.

Mr. ANDERSEN. This is free corn offered by the farmer.

Mr. BELCHER. The only reason I brought that up, I know a cattle feeder in my district that feeds about 5,000 head of cattle on the average. And he does not feed a bushel of corn. He feeds oats, feed grains entirely.

Mr. ANDERSEN. He will feed grain sorghum, oats, and barley.

Mr. BELCHER. He does not feed any corn at all. Fifteen years ago that man would have been feeding corn almost entirely and would not have been feeding any of these feed grains.

The question that has come up several times, it looks to me like if in the country over they continue to go to feed grain more than to corn, you are going to have a problem there.

You will not be able to raise as much corn as you have been raising or you will have to start restricting the production of feed grains.

So long as we consider them as two separate categories it looks to me like you will not have a market for your corn.

Mr. ANDERSEN. If you will follow my general idea and get land out of production into the conservation reserve and get the figure up to \$15 an acre instead of 7 or 8, a lot of that land will go out of production. They won't put it into oats and barley. It is like water running downhill; it will follow that.

There won't be too much corn on the market to do more than satisfy the demands.

We have got to get that feed grain land out of production, down your way as well as up my way. We have got to give the farmer the opportunity to take it out of production, put that land into the conservation reserve.

And, certainly, between the cooperation of your committee and my subcommittee—and with \$1,254 million, I repeat is in the budget for next year—let us decide where that money is going to be spent for the good of agriculture and the good of the people of America. That is a lot of money. It will take a lot of land out of production if we go about it in the right way.

Mr. BELCHER. Do you think you will have to have any restriction on the type of land that is put in? My experience has been so far that the land that goes into that has not been producing very much of anything, anyway.

Mr. ANDERSEN. I have always claimed that the payments should be related to the average productivity of the land involved.

Of course, we have got to show confidence first of all in our committees, the township and county committeemen, and the State administration of it.

Of course, all of those details must be worked out and handed on down. You gentlemen cannot do that by law. It is too detailed.

But I believe if those words, "average good productive farmland," are put in there that the county committees nationwide will do a pretty good job.

Mr. SIMPSON. I would like to return to the gentleman's \$1.09 corn at the elevator. I believe you said you and your partner raised 9,000 bushels of corn.

Mr. ANDERSEN. 9,600, on 160 acres of land. That was a good crop.

Mr. SIMPSON. On 160 acres?

Mr. ANDERSEN. Yes, sir.

Mr. SIMPSON. That means that—

Mr. ANDERSEN. We sealed it, by the way, for \$1.17 a bushel under the \$1.25 for noncompliance corn.

Mr. SIMPSON. Well, if you sold it, if you had 160 acres and you had 9,000 bushels, what did you make an acre on that corn?

Mr. ANDERSEN. Well, frankly, for the first time in 5 years we did make a little profit on the farm because we had the best corn crop we have had for many years.

We dried out, by the way in oats, barley, and flax.

Mr. SIMPSON. You grossed about \$60 an acre?

Mr. ANDERSEN. That helps to fill the valley created by the fact that we only got 8 bushels of flax to the acre and about 12 of barley. That was poor-grade barley, worth about 80 cents a bushel.

Mr. SIMPSON. What do you value the land at?

Mr. ANDERSEN. \$195 an acre. It is in southwestern Minnesota; not quite as good as Charley Hoeven's land, but just about.

Mr. SIMPSON. If you grossed \$60 an acre, that is better than 25 percent.

Mr. ANDERSEN. We cannot gross that on an average, Mr. Simpson, and we have to figure this on the basis of the average through the years. We have the weather to contend with. We have a hailstorm to contend with. We have pests to contend with. This year we happened to get the best corn crop we have ever had.

Mr. SIMPSON. You have weather to contend with. If you valued that land at \$195 an acre, how much has it been selling for up there?

Mr. ANDERSEN. I think it sells for about that figure now.

Mr. SIMPSON. Has land gone down any?

Mr. ANDERSEN. No. In Minnesota it has increased the last year according to the Department of Agriculture figures, from 5 to 7 percent in value.

Mr. SIMPSON. The peculiar thing to me is, I come from an agricultural area, where land has been selling for \$600 an acre, farmland, not subdivision but farmland, corn and beans and hogs and cattle land—that land is not going down—it is going up all the time.

Mr. ANDERSEN. May I say, Mr. Simpson, that is because—

Mr. SIMPSON. That has happened in your area, hasn't it?

Mr. ANDERSEN. There are several reasons for that. One is the extreme demand nationwide by people who have money to invest. Another is the necessity for increasing acreage to try to offset lower commodity prices. Then there are some who will pay a pretty high price for a farm with a good allotment.

Mr. SIMPSON. You have been in noncompliance with the corn program?

Mr. ANDERSEN. That is right.

Mr. SIMPSON. You were among 60 others out of every 100. There was only 40 percent. But, nevertheless, due to good weather and crop conditions, you grossed \$60 an acre on that land.

Mr. ANDERSEN. One year out of five.

Mr. BELCHER. Will you yield?

Mr. SIMPSON. Yes.

Mr. BELCHER. That was an abnormally good year?

Mr. ANDERSEN. So far as corn is concerned.

Mr. BELCHER. You grossed \$60. That does not take out any expense?

Mr. ANDERSEN. If we could get an average gross of \$30 per acre on 320 acres of that 369-acre farm we would consider ourselves fortunate. That would give us about \$10,000 to work on.

Mr. BELCHER. Here is a point of information. My understanding was that you could have gotten \$40 out of the soil bank, completely net.

Mr. ANDERSEN. \$43, I believe, is what they paid.

Mr. BELCHER. \$43 net is better than \$60 gross, is it not?

Mr. ANDERSEN. Of course, Mr. Belcher, that was under the acreage reserve for cornland actually taken out of the corn allotment itself. Very few farmers in Minnesota availed themselves of that this year.

Mr. BELCHER. But I say if you get \$43 net and \$60 in a completely abnormal year, wouldn't \$43 net be better than the \$60 gross?

Mr. ANDERSEN. Remember, we had to open up and put in 160 acres of corn.

Mr. BELCHER. All right. I get your point.

Mr. ANDERSEN. We never could farm that farm on any 80-acre allotment of corn. We cannot do it and keep it clean. A farmer is faced just like we here in Congress are faced—just like we were yesterday on the floor. We get faced with practical situations regardless of what we might like to do otherwise.

Mr. BELCHER. In other words, the \$60 gross on 160 was better than \$44 on 80 acres?

Mr. ANDERSEN. That is right; especially as we had no other good crop to put in the balance of the land.

Mr. BELCHER. Thank you. That is all.

Mr. POAGE. Are there any further questions?

If not, we thank you very much. We are very much obliged to you. We appreciate your presence.

We will now ask Mr. Jensen, of Iowa, to speak to us.

Mr. HOEVEN. May I have the privilege of presenting my colleague, Congressman Jensen, to the committee? His district adjoins mine to the south, and we have many related problems.

Mr. POAGE. We are all pleased when Mr. Jensen comes to our committee and we are delighted to have you.

STATEMENT OF HON. BEN F. JENSEN, A REPRESENTATIVE IN CONGRESS FROM THE SEVENTH CONGRESSIONAL DISTRICT OF THE STATE OF IOWA

Mr. JENSEN. Thank you, Mr. Chairman and Mr. Hoeven. I appreciate those kind words.

I may be presumptuous to ask to be heard before this committee, because of the great knowledge that you gentlemen and the lady have on this subject of agriculture and the problems of agriculture.

I know that the farmers of Iowa are well represented on this committee in the person of my colleague, Charles Hoeven, who has performed yeoman service on this committee for many years.

This farm problem, of course, bothers me, representing as I do a district that depends almost completely on the farm income, whether he be a farmer or a businessman.

And I am very happy to join with my colleague Congressman H. Carl Andersen in this presentation of the bill which we have introduced.

Of course, like everyone else when I am out home or even here in Washington, many people come to me, call me, and write, and tell me what they think the Congress should do to solve the farm price squeeze and to put the farmer on a profitable basis as quickly as possible to again put him in position to buy a lot of things that no one else buys.

You know, in normal times when the farmer's dollar is worth a hundred cents at the counter, the farmer buys, according to the records, two and a fifth times more in consumer goods, on an average per capita, than does the average American.

As you know, the farm dollar has been way below the value of 100 cents for quite some time.

There is another thing that is very plain to see. Everyone who is depending on the farmer today, whether it be the businessman in the farm community, or the industry that manufactures the things that the farmer buys—they are having a bad time.

The farmer buys expensive implements and posts and lumber, wire, seed, and so forth, that other people do not require.

Of course, we have been spending \$35 billion or more for quite some years for national defense. That has in a way taken the place of the farmer buying power of late.

I understand there are approximately 6 million people today employed in the manufacture of destructive instruments of war.

Were it not for that great expenditure of the taxpayers' money, without a question of doubt, we would be in a serious recession today.

Of course, we hope that we do not have to keep on spending that much money for destruction. But should this lukewarm war, which is going on across the seas be resolved and peace come to the world, we no doubt would cut our appropriations for national defense maybe \$15 million the first year of peace.

That would be wonderful, but immediately we would throw about 3 million people out of work.

And unless we get the farmer's income up where he can step in and do the buying and keep the factory humming we are going to have a bad time in this country of ours. That is for sure.

Everybody is going to have a bad time, because all wealth springs from the soil. And all of the people in America, as you folks I am sure know, are employed in some phase of producing, transporting, processing, marketing, and using raw products, 70 percent of which grows out of the earth, 20 percent approximately comes out from under the earth, and the other 10 percent is fished out of the waters.

We have now a bountiful supply of raw product. If we had a dearth of raw product even with the great expenditure for defense which has been taking the place of farm purchasing, as I said, we would have a lot of people out of employment, because if we did not have

enough raw products to manufacture into finished products we would have unemployment in spite of everything we could do. That, my friend, is plain down to earth horsensense economics, which is the only kind of economics this old farm boy understands.

That is why I am so concerned about this low support price on our basic, storable farm crops.

The price of corn, as you know, governs the price of all feed grains over any 1-year period.

And the price of all feed grains determines over most any normal 12-month period the price of the finished product, the hog, cow, or sheep, or poultry.

Mr. POAGE. Will you yield there?

Mr. JENSEN. Yes.

Mr. POAGE. Do I take it that you agree with Mr. Andersen that your bill and his, and any legislation reported out should be so amended as to include all corn and not apply simply to commercial corn?

Mr. JENSEN. We have a provision in our bill, Mr. Chairman, which provides—I will hurriedly run over the bill——

Mr. POAGE. The provision is down about line 18, page 2, isn't it?

Mr. JENSEN. Yes. All right. It provides for 51 million acres of corn in the commercial corn area—that the corn acreage allotment be based on tillable acres instead of the old acreage history which we believe has been a detriment to many good farmers. Our bill provides for 90 percent of parity on the first 4,000 bushels of corn per farm.

And then getting down to your question, Mr. Chairman, it provides that if the farmer puts 20 percent of his tillable acres, whether they have been in corn or other grains, or crops, that by putting the 20 percent of his tillable acres in the soil bank program if he so wishes, he can put in the conservation reserve, part of it in the soil bank and be in full compliance and derive the full benefit from the Soil Bank Act.

Mr. POAGE. That relates only to the commercial corn producing area.

I understood Mr. Andersen felt, and frankly I feel, that you should extend that same privilege to a man who is growing corn outside of the commercial corn area.

Mr. JENSEN. I think you are right. I think Congressman Andersen is right, because of this fact; when you take corn out of production and you put in other feed grains, and you immediately create a surplus in other feed grains regardless of area.

Mr. POAGE. Exactly.

Mr. JENSEN. And so if you permit the farmers in the non-commercial-corn area to come under the program in the soil bank, or in the conservation reserve section, as our bill provides in the commercial corn area, you naturally will reduce the acres of corn and feed grains in noncommercial areas as well as in the commercial areas, which is one of the primary purposes of the Soil Bank Act, production decrease. Of course, the committee could so amend the Andersen-Jensen bill if they so desire.

Mr. POAGE. Unless you make such provision and make it not only for noncommercial but for other feed grains—unless you make that kind of provision, then does not your reduction within the commercial-corn area simply invite an increased production outside of the commercial-corn area?

MR. JENSEN. I am inclined to think that it would.

Of course, I was here yesterday or was it the day before, when someone on the committee, it may have been you, Mr. Chairman, felt that corn and cotton and tobacco should be treated exactly alike.

MR. POAGE. I do think so.

MR. JENSEN. Well now, here is my feeling on that. You folks can raise corn in the South. We cannot raise cotton and tobacco in the Corn Belt of America.

And because of that very fact we are at a disadvantage, so to speak.

MR. POAGE. You in the commercial-corn area can shift. When you go out of corn in order to take the benefit of one of these programs, you can shift into the other feed grains. You can shift into oats. You can shift into barley.

And if you are a little bit farther south you can shift into grain sorghums. And in your area you can shift into soybeans.

You do do it just exactly like we do when we taken cotton out of production, we shift into the thing that we can grow. You do exactly the same thing.

That is when you are merely meeting an allotment.

With this soil bank applicable to either one of us that shift into those things, we would be eliminated because if you are allowed to put your land in the soil bank—and your bill I understand requires before you will be eligible for supports or payment of any kind, there must be participation—then we could not grow the feed that we are growing now.

The evidence of it is that you are getting commercial-corn areas in the South. That means we have gone into corn in a rather large area.

So aren't we going to have to have the program to stop that eternal shifting? It is not confined to the South. It takes place in Iowa and in Illinois just the same as it takes place in Mississippi and in Texas.

MR. JENSEN. Of course, I hope that the program can be left as voluntary as possible. I would not like to see that. In the South you have to do this and you have to do that, and by so doing produce more corn in the South to our disadvantage.

MR. POAGE. I do not want to interrupt further but may I point out the desirability of making it as flexible and as voluntary as possible—I agree with you on that.

But if we do what we are talking about for corn and do the same thing for the other commodities, then you do get to a place where the farmer can make a choice.

Whereas, under the present program, the corn man is the only man who has the free choice. And the cotton and wheat man is in an armed vise.

MR. JENSEN. I must say this, that I do not believe we have enough time to thoroughly resolve that problem this morning.

MR. POAGE. Do you believe we can pass the corn bill without resolving that problem?

MR. JENSEN. I think our bill will do it.

MR. POAGE. It will for corn, but not for everybody else as it stands now.

MR. JENSEN. Oh, yes; it takes care of your feed grains.

MR. POAGE. No; it won't take care of the feed grains.

MR. JENSEN. It will take care of them to this degree better than any farm bill we have had to date, because it permits the farmer to reduce

his feed grain like oats and barley, for instance, by being permitted to go into the soil bank and the conservation reserve and still be in full compliance.

Mr. POAGE. It permits the corn farmer in the commercial corn area to do that but does not permit any other farmer in the United States to do it.

Mr. JENSEN. Mr. Chairman, what I know about cotton and tobacco, you could put in your eye. That is a problem that your committee is going to have to resolve. I am not going to set myself up as an expert in that field.

Mr. Chairman, I know there are some other folks here from Iowa this morning that would like to testify. Does the committee have more questions you would like to ask me?

Mr. ABERNETHY. Mr. Jensen, on page 3, section 3, subsection 8 of your bill, I notice you have a special provision for the first 4,000 bushels of corn per farm, supporting them at 90 percent of parity.

I am in agreement with that objective. And I would go even further than that. I know your philosophy is such that I believe you would, too.

But if the committee were to report out a bill that even shadow-boxed with 90 percent——

Mr. JENSEN. How is that again?

Mr. ABERNETHY. If we were to report out a bill that even shadow-boxed with 90 percent, or just attempted to convey even one bushel, aren't we faced with the reality that it would be right back with us within a few days after it reached the White House?

Mr. JENSEN. I do not think so. I don't have absolute proof of the statement I am about to make now, but I have pretty good proof that the President of the United States would not have vetoed that first farm bill which we sent to him during the last session if the only objectionable feature to the Secretary of Agriculture in that bill had been the 90 percent of parity provision.

Mr. ABERNETHY. That was exactly all that we took out.

Mr. JENSEN. Oh, you had the two-price system.

Mr. ABERNETHY. It was optional.

Mr. JENSEN. It was in there. It was in there. It happens that I was the fellow that was called to Denver in 1952 in that campaign when the President had his headquarters out there to debate 90 percent versus flexible parity with a very able gentleman from the largest farm organization in America.

And we debated for about 2 hours before General Eisenhower. And when we got through General Eisenhower asked those present, there were several, all very well versed on the farm program, how they felt about the debate.

And I am happy to say that the overwhelming majority thought I was right. Then, our now good President Eisenhower said, "Gentlemen, I am coming out for 90 percent of parity."

Mr. ABERNETHY. I think what you say is true. We won the debate last year but we lost the fight. We only won the debate.

Mr. JENSEN. We won the battle, but lost the war, is that what you mean?

Mr. ABERNETHY. Yes.

Mr. JENSEN. I guess that is about it.

Mr. ABERNETHY. I am not critical of your position. I do not want to be misunderstood. I am not being critical of it. I subscribe to it. I just observed that we are just facing a reality there that we cannot hurdle, I am afraid.

Mr. JENSEN. I have always felt and I said so in my remarks yesterday on the floor of the House, which are in the Record, analyzing our bill, I said it is the duty of Congress to pass a good farm law. It is the duty of the administration, the Department of Agriculture, to administer that law, according to the provisions of the bill.

It is our duty, as legislators for the people—and I know I do not have to tell you, Mr. Abernethy, or any of the other members, it is the duty of Congress to pass laws, and the kind of laws that we think are good and best for this great, blessed America of ours.

I think too often over last two decades or more, the Congress has permitted the departments to tell us what kind of laws they wanted.

Mr. ABERNETHY. We went into that the other day.

Mr. JENSEN. And I think the time has come when we better tell these departments downtown and some other folks, that the people of America elected us to represent them and not only to pass the laws, but to write the provisions in the laws in such plain language that they cannot be misinterpreted.

And so, it is our responsibility to pass a bill we believe is good, and then it is the responsibility of the President of the United States, if he so desires, to veto that bill.

Mr. POAGE. Any further questions?

If not, Mr. Jensen, we are very much obliged to you.

Mr. JENSEN. Before I leave, I want to say that a gentleman from Jewell, Iowa, and his colleagues, all farmers, came to my office yesterday. I see them here now. He explained a proposal to me that he and his colleagues have worked out.

I do not know whether he has yet testified.

Mr. POAGE. Are you speaking of Mr. Weise?

Mr. JENSEN. Yes.

Mr. POAGE. We will call Mr. Weise.

Mr. JENSEN. I tried to find the man in the woodpile in his proposal and figures but I will admit that I could not find him. I hope this committee will give Mr. Weise a good hearing. And if you can find the so-called boy in the woodpile, I would like to know where he is. I know it will be very interesting for you to listen to him. If their proposal will do what they say it will, it is a winner.

Mr. POAGE. Before we listen to Mr. Weise, Congressman McGovern, who had desired to appear before us, has sent to us a statement which he would like to have incorporated into the record.

And I ask unanimous consent to do so.

Hearing no objection, that will be made a part of the record at this point.

(The statement of Hon. George McGovern, a Representative in Congress from the First District of the State of South Dakota, is as follows:)

STATEMENT OF UNITED STATES REPRESENTATIVE GEORGE MCGOVERN FROM THE STATE OF SOUTH DAKOTA RE H. R. 3987

Mr. Chairman, and members of the House Committee on Agriculture, I wish to bring to your attention H. R. 3987, an agricultural measure, which I introduced on January 29.

Since you are presently concentrating your attention on corn legislation, I respectfully ask your consideration of this measure and its proposals. To me, they are not only economically sound and thus in the interest of agriculture and rural America, but they also represent an accurate reflection of farmer thinking in South Dakota and elsewhere.

H. R. 3987 is not a corn measure in the narrow sense of the word. It does propose an acreage allotment figure of at least 49 million acres for corn with a support level of \$1.60 a bushel, along with several other provisions for this commodity.

But this is only part of a comprehensive measure dealing with nearly all of the major farm commodities and many aspects of agriculture.

However, in asking your consideration of this proposal, I want to make these two points clear at the outset:

1. I do not seek preferential treatment for corn producers, nor do I believe that corn producers themselves want preferred legislative treatment. Farmers are unselfish and realistic. They only want a decent price for what they produce, and they want this for their neighbors as well as themselves.

2. I do not propose that corn or any other farm commodity should be considered by itself in special, separate legislation. I believe, and I am certain many members of this committee concur, that we must take a broad, comprehensive approach to farm legislation and not a commodity-by-commodity approach. The latter, in my opinion, would only lead to the destruction of all farm programs and bring further hardship to the already economically hard-pressed farmers of the Nation.

Instead of using the time you have granted me to discuss H. R. 3987 point by point, Mr. Chairman, I wish to briefly discuss the philosophy on which it is based and to state what appears to me to be a few hard facts.

American farmers, especially in recent years, have demonstrated, in a number of nationwide referendums dealing with commodity programs, their willingness to curb production in exchange for a fair price. This is a principle that business has been practicing for years, as you know.

Time and time again, the producers of cotton, tobacco, peanuts, rice and wheat have voted overwhelmingly to limit their production to specific acreages in exchange for a guaranteed price floor. They have rejected proposals which would have allowed them to produce unlimited acres of these commodities in return for either low, ineffective supports or no supports at all.

Recently, corn producers added their voice to this group. In South Dakota, corn farmers voted against the administration's proposals of high acreages with full flexibility in support prices, by a 4 to 1 margin this past December.

This, I submit, is overwhelming evidence that farmers fully accept the concept of production controls—if they get a fair price in return. I believe they should. I believe we should give proper recognition to this free expression of farmer thinking. H. R. 3987 would do so. It is based on the premise that farmers are entitled to a decent price and income.

I would add one further point in this regard and repeat what a number of the members of this committee have said many times, and that is that both the acreage allotment and the support level must be practical and realistically tailored to farmers' problems and their needs. They must be set at levels so that farmers can participate. Otherwise, there is no object in writing a farm program. I personally believe we should not ask farmers to take less than 90 percent of parity—or, in other words—90 percent of a fair price.

Agriculture, as you know, is in an economic crisis. The loss of 25 percent in net farm income the past 4 years nationally has accelerated the exodus of family farmers from the land. In South Dakota we are losing around 1,000 family farmers a year.

This forcible uprooting of farm families from their homes has not been without tragic consequences. The sharp drop in farm purchasing power has also been felt heavily on Main Street, here earnings have dropped, along with farm income, and merchant after merchant has had to close his doors.

We hear much of the theory that there are too many farmers and that millions of them must leave the soil for other means of livelihood. But no one has said where they should go and what they should do.

As a former teacher of history and government, I want to say that I believe any program designed to shake out numbers of farmers is dictatorial and a dangerous threat to democracy.

Since the introduction of H. R. 3987, a week ago, we have received letters every day from South Dakota strongly supporting our position. They have come from

farmers, professional men, and businessmen—members of both political parties—and they are all saying one thing, "Do something to raise farm income."

South Dakota is the most agricultural State in the Union. Naturally, then, it would feel the effects of an agricultural depression sooner than urban areas.

However, it appears that most of rural America is suffering. The farmers of South Dakota and other States, too, I am sure, are looking to Congress to give them new hope as another planting season rapidly approaches. I feel confident that members of this committee will expediate new farm legislation.

Mr. Chairman, I am fully aware that this committee has concluded its hearings on the soil-bank program. I feel dutybound, however, to call three points to your attention and urge that you investigate them.

1. A number of letters from my constituents have related that landlords are arbitrarily ousting tenant farmers from land they have been farming for sometime, so they can put these farms into the soil bank and reap all the benefits themselves. I know this is contrary to the intent of the law. Hence, I call it to your attention, since it is happening in my home State.

2. The soil-bank program is opening the door to land speculators who are being encouraged to buy farms, put them into the soil bank, and let the Government pay for them through soil-bank payments. Both farmers and businessmen of South Dakota have called this to my attention. This is a tremendous threat to family-type agriculture.

3. To my knowledge, there has still been no satisfactory explanation of the discrepancy in payments for wheat land put into the soil bank last summer in North Dakota and South Dakota. North Dakota wheat farmers received average payments of about \$14 an acre, while South Dakota wheat farmers received payments averaging just slightly more than \$7 an acre.

North Dakota wheat producers were reimbursed on the basis of normal yield—even though their wheat was destroyed by drought, as it was in South Dakota. It was common knowledge among all the county ASC committees along the North Dakota line. Many of these committees tried to get South Dakota farmers equal treatment but were unable to do so. Our contention is not that North Dakota wheat farmers were overpaid, but that South Dakota wheat producers were underpaid. We respectfully ask your investigation of this matter.

I deeply appreciate the honor of appearing before this committee. Thank you very much.

Mr. POAGE. We will be glad to hear from Mr. Weise now.

I yield to Mr. Hoeven.

Mr. HOEVEN. May I present this distinguished group of fellow Iowans?

Mr. Weise, of Jewell, Iowa, is a resident of the Sixth Congressional District of Iowa. He is accompanied by a group of GI farmers from the Sixth District who will probably identify themselves when they testify.

All these gentlemen have been very active in behalf of agriculture. I am happy to have them here, and I am sure they will have something of interest to present to the committee.

Mr. POAGE. We are glad to hear from you now.

STATEMENT OF E. S. WEISE, JEWELL, IOWA, ACCOMPANIED BY NEEL HILL, WEBSTER CITY, IOWA; WAYNE BRINTON, ELLSWORTH, IOWA; AND DALE PETTY, ELDORA, IOWA

Mr. WEISE. Mr. Chairman, I want to thank you and Mr. Cooley for this personal invitation to bring us down here. While I testified before this committee last March, Mr. Poage, I am reminded of what you reminded Mr. W. R. Blake, executive vice president of the National Cotton Council, and if you will permit me, I will quote:

Mr. POAGE. I think you are intelligent, too, and I never knew you to have a producer who actually worked on land. I never knew a member of the cotton council, a voting delegate in your cotton council, who produced less than 5 bales of cotton.

And again:

You just never have met those people, Mr. Blake. You never had any occasion to meet the real cotton farmers of America.

And again:

He may put in 30 cents in the course of a year, into your organization and feel that he has done something, but he could not buy a bus ticket to Biloxi, much less pay his hotel bill 1 night down there.

My father toured Europe for some years and he came back to us and he told us boys, he says, "I want to thank God every morning that you live in America."

At this time I'd like to have a short statement from Mr. Hill and then I will continue.

Mr. POAGE. We will be glad to hear from you, Mr. Hill.

Mr. HILL. I am Neel S. Hill, Webster City, State president of the GI Farmers of America.

As State president of the GI Farmers, a small organization of veteran farmers, we would like to outline why we originated.

I am also a salesman for Pioneer Hybrid Seed Co., Des Moines, Iowa. I call on every farmer in my territory and do not conduct a guided tour for myself or others, as is the usual practice in determining farm economy or policy. I call on every farm in my territory.

In general, the veteran farmer that started farming after World War II is the one group that has borne the brunt of this recent cost-price squeeze. Generally speaking, the veteran farmer is the group that is being moved from the farms and into the urban labor pools.

These men have been called inefficient. This charge is untrue. They have either given up in disgust, forced by financial positions to quit, or may have been moved with a hope of better chance in other jobs.

This cost-price squeeze is very serious. And legislation is needed as an emergency enactment to alleviate this situation. We feel it is not the sole duty of the Government to protect us completely or anything of this kind. However, the Government must lead us in this transition.

Farm organization must stop this constant bickering and help Congress acquaint the farmers with the program passed by Congress.

Therefore, we propose for corn legislation the following program: Allotments be retained as a basis for control of the supply.

The revision of the past history of farms in arriving at allocated acres for farms.

We recommend the allotted acres be figured from full tillable acres per farm.

We recommend bushel quotas, based on county averages, be substituted.

We recommend county committeemen be reinstated to their original status as salesmen for farm programs. These men must once again sell a farm program as set up for them by Congress.

We believe the economy of the country is directly dependent upon the farming industry and cannot be maintained without a prosperous agriculture.

Mr. POAGE. Thank you very much. We appreciate your statement.

Mr. WEISE. Mr. Poage, we are indebted to one of your members of your committee, Hon. Clark W. Thompson, who as chairman made the

report of the Subcommittee on Family Farms to this committee. At this time, we would petition this committee if they would direct Mr. Thompson and his subcommittee to accept an invitation from our boys, our group of farmers, to visit Iowa. We can show you a few things out there, too.

MR. HILL. I do not have authority to say this, but I am sure Governor Loveless, of Iowa, would be very willing to act on it.

MR. POAGE. On what do you mean?

MR. HILL. On the invitation.

MR. POAGE. Oh, to act on the invitation. I understand.

MR. WEISE. Mr. Thompson made one statement in his report in which he said that, while all of the broad and intimate interests of the family farm are the concern of the subcommittee, major emphasis is concentrated in this study upon the smaller farms and on units operated by new farmers, especially veterans who carry heavy debts.

Now, these GI's, especially right here Mr. Petty, who is a dirt farmer, operating on his father's farm, and we have Mr. Brinton here, he operates his mother's farm—he is a tenant farmer, and Mr. Hill operates his father's farm. I am the only one that operates a stranger's place, who is very sympathetic on this farm problem.

While he is employed by one of the largest rubber companies in the United States and has a pretty good position, nevertheless, the rubber company knows that if the farmer does not have any income they cannot buy the tires. What is the use of making them then?

The GI's are all dirt farmers. They are represented here. Again, like I said before, you have told Mr. Blake that we do not have representation of actual dirt farmers. We do have precisely that. We brought the people here that are actually working the ground. And two of us have been in the soil bank and have participated in it.

I was one cashed in on the bonanza that was handed to us. These boys have no funds with which to come down here and nobody supports them, but we employed this bonanza that was handed to us, and we used it to arrive down here to present this bill.

Incidentally, we do not have a bill. We just have recommendations.

Now, the GI's are not the only ones but one of the group of people that have been doing their share on a long-range basis, that is, to get more consumers.

As you all know, it is kind of a hard job to fill up a growing boy. This gentleman over here has 5 boys, this fellow has 2, this gentleman at the right of me has 4.

However, we need something now to put bread in their mouths so they can continue to grow up.

And again I want to say that we didn't come down here to get something for nothing. After all, we are willing to pay our own way and we want to earn everything that we get. And we would like to get paid for something that we are doing.

So we believe that there are certain roadblocks that must be removed that we have before us, whether by executive order or what.

But we are standing on the threshold of unprecedented prosperity. You can see that with industry and everything else.

But it seems that for agriculture in the eyes of some people and some groups of people, the only salvation, the best thing for it is to take a pay cut and that will resolve everything.

And we for one group decided, and I think you will agree with us, that it is a farfetched theory, and it won't work for us.

Mr. POAGE. I do agree with you and I think the majority of this committee agrees with you.

Mr. WEISE. There is one other thing.

Mr. Carl Andersen and Mr. Jensen, I think, are the first people that introduced the corn bill who are on the right track. However, I doubt whether a thing like that will go through where you have certain limits that you place on the large operator, because we have all kinds of people, and the money interest seems to be the controlling factor in everything.

This morning I was trying to get up some of this information together and while doing so I read a little verse in the Bible, and it tells us one thing. I wrote it down here someplace, Ecclesiastes, chapter 10, verse 19:

A feast is for laughter and wine is to make us merry, but money answers all things.

Money talks the Russian and Chinese languages and talks everything else. It talks in industry.

Right here and now I would like to draw a little analogy. I was a stockholder in the Northrup Aviation Corp. They make a guided missile known as Snark, an ICBM, and we fired one recently down in Florida someplace, and the thing was a misguided guided missile and wound up down in South America. And we sent out an expedition to hunt for it.

Nobody said a word, there was not a voice raised in complaint that that cost, I don't know how many thousands of dollars. And we shot it off here, and it landed over there. And it is destroyed, and that is it.

It seems there is plenty of money for destruction but not anything to build up this country, in the same proportion.

We will get down to cases here on this corn program. And I think you gentlemen all should have a copy of this so you know what we are talking about because we went right down to the last cent in this deal.

There is one other thing I want to take up here.

A year ago when we were down here in March we also had a witness, Mr. Marion S. Mond, Jr., from down in Batchelor, La. He is a farmer and supervisor for the Upper Delta Soil Conservation District and director of the national association and chairman of NASCDE, and he said:

There are some 20 million acres now in grass and trees on district cooperators farms that have been converted from row crops. Our association believes that it is only fair to treat the early pioneers of proper land use on an equal status with those who, up to now, have been reluctant to make such conversions.

We suggested the 1945 date to recognize cropland adjustments that have been made since the end of World War II. And as we understand the purpose of this proposed legislation, it is to help agriculture adjust farm wartime levels to production. We believe that those farmers who have already made such adjustments should receive credit for their voluntary action under the proposed new legislation.

We urge the members of this committee to give this proposal serious consideration.

Now, in connection with that, I want to read you another letter about the same time, June 1, that was written by a farmer in our com-

munity, to a Mr. Alan Moew, director of the Hamilton County Soil Conservation Service, Webster City. It says:

DEAR AL: One wonders if those of us cooperators who have believed in and practiced good soil conservation and land use for years aren't being severally penalized and shortchanged by the soil bank? It seems strange that the fellows that for years have been giving us the horse laugh for cooperating with the soil conservation district, now after being bribed into cooperating, are in a preferred status. It seems to me that we pioneers of proper land use should at least be on an equal basis.

That is right along with Mr. Andersen's proposition.

There are two inequities as follows:

1. Our corn allotment is considerably smaller than the fellow that "mined" his farm by planting all his land to corn. He's had a free ride at our expense.

2. We can't put land in the acreage reserve without destroying the crop rotation that took us years to set up.

I've had my own private soil bank for the last 14 years. An average of 57 acres has been idled each year in grass and legumes (no crop removed) but plowed down, and hasn't cost the Government one cent either.

Al, you are acquainted with this 320-acre farm and know every foot is tillable, that it took me years to get a good crop rotation set up. I've planted within my 1956 allotment and have 40 acres of sweetclover. I'd like to soil-bank these 40 acres but can't tie them up for 3 years, as it would ruin my crop rotation. It doesn't affect Johnnie-come-lately as he had no rotation.

Isn't there some provision for cooperating producers like us to participate in the program and keep our rotation intact?

Of course, Mr. Ben Jensen also mentioned the fact that we cannot keep on looking at the historic base, but you have got to take into consideration the past history of the farm.

That is what they did, whether they "mined" it or whether they kept up good soil practices on the place.

We will go into the corn price support.

(The pamphlet is as follows:)

PRICE SUPPORT

Originally the support program for basic crops was instituted as disaster price insurance. First, provides a price floor. Second, provides an orderly marketing system to prevent harvest gluts. Third, levels off the violent price swings in the market place from abnormal lows to extreme highs. Fourth, provided ceilings during the wars.

The program has been patched up 15 times in the last 20 years, the latest addition being the soil bank (good principal). everyone complains, condemns, and wonders why it does not work.

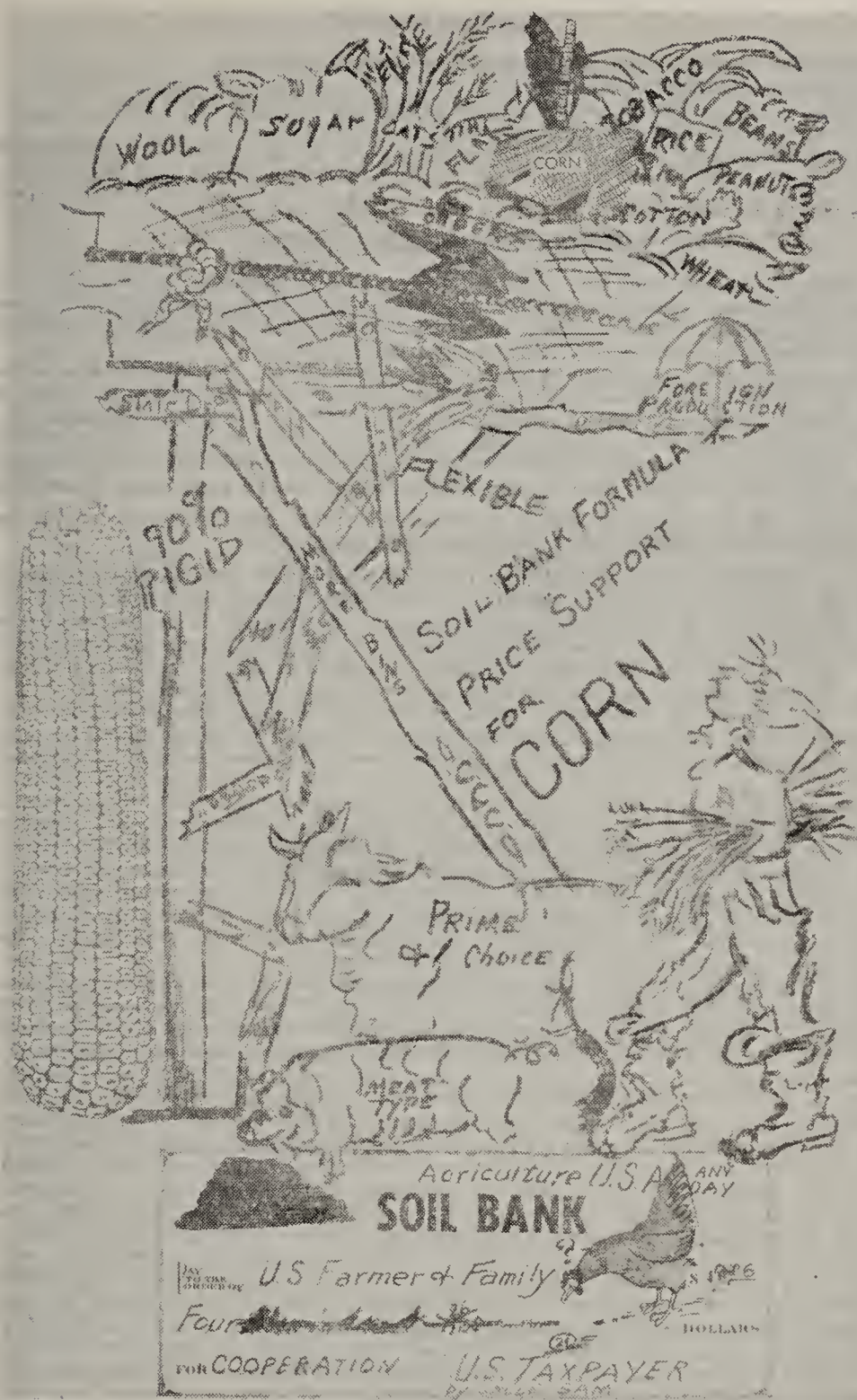
Have we not bent every effort, patchwork included, to transforming the function of the program into income insurance which it is not? Temporarily we can use a crescent wrench as a hammer, however, if we persist hitting hard enough we break the wrench, so we weld it and patch it up 15 times then complain and condemn the wrench because it does not work as a hammer.

With supports came allotments, quotas, controls, and surpluses; however the supports were the one thing agriculture needed to speed up its transition from hand labor, flesh and bone horses to a cast-iron horsepower with rubber feet (tires) and total mechanization. Coupled with this came better rotation, hybrid seeds, fertilizers, sprays, drainage, contour, portable irrigation, now on the horizon is third dimension and drugs, the technological end is not yet. All this makes a reappraisal of supports essential.

Problem: Reduction of surplus stocks, plus an overall reduction in production without first bankrupting farmers.

Question: How?

Solution: Allotments were based on the then prevailing average production, let us now consider the average production for 1945-56, inclusive. This takes into account the lifting of ceilings, Korean war stimulus, total mechanization, plus bumper-crop years. Apply the allotment and support (soil-bank formula)



to a definite number of bushels, bales, pounds, etc., for the basic crops with this exception: "Free" portion of the crop can be carried over by the producer to come under support the following year as in case of a drought or market it at his discretion. (I am indebted to the cotton farmers for the carryover idea.)

SOIL BANK FORMULA

Allotted acres $\times$ average yield $\times$ percent = soil-bank payment.

Applied to entire crop thus:

Allotted acres $\times$ 1945-56 average yield $\times$ 90 percent = support (CCC loan)
balance of production free (no support)

Immediate result: Third less eligible for CCC storage, reduces surpluses by removing incentive to overproduced, yet ties nobody's hands that are willing to produce and sell for less.

"CORN" SUPPORT SPECIFIC AMOUNTS

Keep allotments, keep soil bank, support (1945-56) average production only on a countywide basis because the support price is decided on a countywide basis or whatever area affected. This period includes all the stimulants that boosted production and would be most fair in determining the base.

The chief agricultural statistician, Washington, D. C., has all pertinent data on file. Any bushels above the (1945-56) per acre average on allotted acres in the county where it was produced to be "free corn" no support except; he, producer, may elect to carry over the free corn to the next season and in case of drought, hail, flood, or other disaster, apply such free corn to the average production set for that year or sell, feed, or what, at the producer's discretion.

NOTE.—No Government storage on free corn; also only free corn grown on allotted acres is eligible for the carryover feature.

This added fact: The Secretary of Agriculture will know before planting season almost to the bushel the amount that will come under support and his Department can project their planning ahead intelligently in dealing with the thus supported crop. There will be no need of fumbling in the dark, nor will we have to make the Secretary of Agriculture wait to get the November 1 crop report before he can act on the next year's allotments and production.

If CCC stocks are burdensome as at present, the average per bushel per acre can be reduced accordingly across the board. Further, the incentives to produce extra bushels above the average will be removed. Conversely if the CCC stocks are low the acreage allotments can be increased, the averages raised, soil bank decreased, removed, or any combination that would best suit the circumstances. This then will be a true flexible rule and because we have a flexible quantity the price automatically falls in line, thus we bring to light the fact that then we will cooperate with and not against the laws of supply and demand. An airplane flies through the air because the function of its design utilizes and cooperates with the forces of nature. It represents some of the finest engineering skills in the world, yet an airplane is worse than worthless as a bulldozer. We must use the instruments for what they are designed.

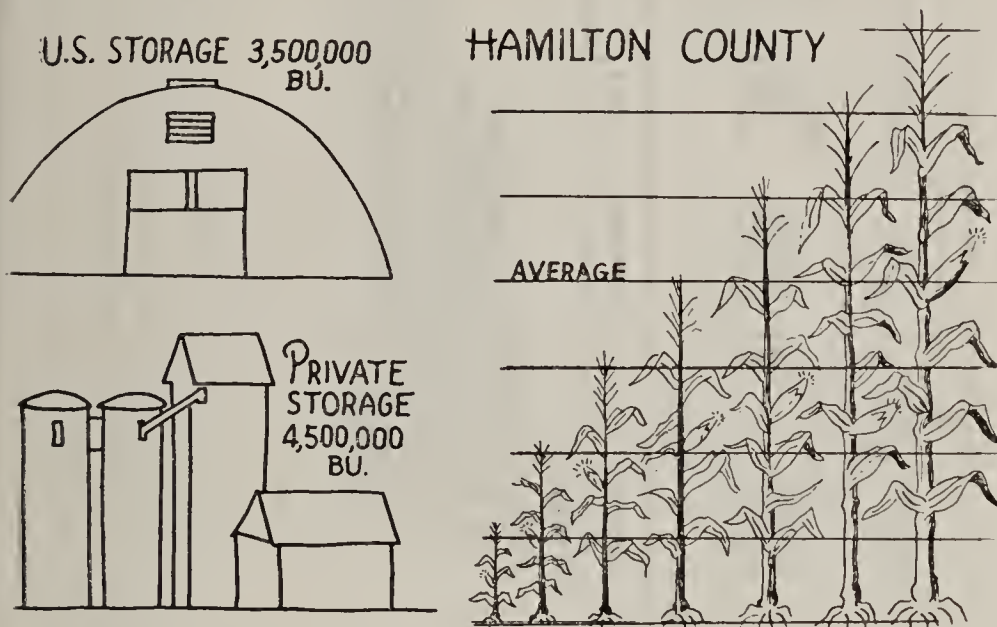
The tremendous increased production per man and acre due to technological advances and war stimulus plus total crop support boosted the trend to large units. It is common knowledge that the fixed overhead cost per unit basis (bushel, bale, pounds, etc.) has placed the small family farmer at a distinct disadvantage plus the large free rider. From 1945 through 1956 corn acres planted remained almost constant at 56,275,182. The years we had allotments in effect 1950-54-55 we had 44.7 percent-40.2 percent-50.8 percent participation, respectively, which proves farmers do not plant according to price except 1956 (\$1.25 national average guarantee for all corn planted. Some planted total farm acres).

In the years of 1954 and 1955 the noncooperator overplanted by an amount equal to the cooperators reduced planting. Much of the cooperator's crop was held off the market by "purchase agreements" thereby giving the free rider a market for his bumper crops at the same time saddling the government with CCC and private storage of unprecedented stocks of commodities. Also in the absence of cross compliance we accumulated unparalleled amounts of feed grains although much of it was compressed by a 7 to 1 ratio. This mountain of feed found itself on the markets in fall of 1955 to spring of 1956 in the form of slaughter livestock and edible products of every description. At depressed prices, naturally a clamor for income protection ensued. We were in the same boat with 176 steers and 500 hogs, but the built-in shock absorber (size of cultivated farm) softened the blow. The little operator took it on the chin.

We must have a program that helps the livestock feeder as well as the cereal, oil, feed, grain, and fiber producer.

HAMILTON COUNTY, IOWA

Here we have some of the finest grade A land that lies out of doors which produces tremendous amounts of cattle, hogs, turkeys, poultry, eggs, dairy products, sheep and wool, together with an alltime record supply of CCC owned stocks of grain plus alltime record private storage under CCC loans. Yet we have been shipping in grain from other States into this already overloaded area to take care of the livestock needs for years.



From above you will readily see not all farmers produce the same bushels per acre. The submarginal never attain to the average while the efficient produce above the average. It is the above average production that fills the storage bins. Thus, if the support is removed from above the average production, the producer will not be encouraged to dump a lot of fertilizer on the allotted acres to get extra production that is above the support level. Therefore you have a voluntary reduction in production from the top level, then too, the average production goal that the Secretary of Agriculture sets at planting time never attains its maximum because the low producer does not reach up to the average thereby we have a still further reduction. Again, if the support is removed from the top level of the crop, most producers would be forced into participation through the pocketbook.

The soil bank formula should work on all supported crops.

The commercial corn area past performance, 1945-56, inclusive, plantings 12-year average, 56,275,182 acres

Year	Allotted acres (national)	Support price (Ham- ilton County)	Acres planted (national)	Participation (national)	Nonparti- cipation (national)	Overplanted (national)
1950.....	46,246,973	\$1.57	52,591,240	Percent 44.7	Percent 55.3	Percent 13.8
1954.....	46,995,504	1.55	56,505,000	40.2	59.8	20.4
1955.....	49,842,697	1.51	56,027,040	50.8	49.2	12.4
1956.....	51,000,000	1.43	56,275,182	(?)	(?)	(?)

AVERAGES

1950, 1954, 1955.....	47,697,058	-----	55,040,828	45.2	54.8	15.4
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¹ Base acres.

² Estimated.

Planted by cooperators:

47,967,057×45.2%=21,559,070 acres

Result:

1950-1954-1955-(1956-56,275,182 estimate)

55,040,828 Actual acres planted (average)

47,697,058 Allotted acres

7,345,770 Overplanted by Noncooperators

26,137,988 Allotted acres by Noncooperators

21,599,070 Allotted acres by Cooperators

55,042,406 Total plantings (average)

Planted by noncooperators:

47,697,058×54.8%=26,137,988 Allotted acres

47,697,058×15.4%=7,345,348 Overplanted

Noncooperators planted 33,383,336 Total planting

Filled up Commodity Credit Corporation warehouses

Cooperators reduced plantings plus CCC storage loans with held grain from

the supply and demand market thereby creating a market for the "free riders"

(noncooperator) excessive plantings, these producers were encouraged to take

advantage of and profit by this setup at the expense of the cooperators and

Uncle Sam.

SOIL BANK FORMULA APPLIED TO ENTIRE CROP

120 ACRE FARM

1-B. 51,000,000 Base acreage $\times$ 15% cut Soil Bank at \$45.00 per acre 90% Support for 1945-1955 county average, nothing on the balance (\$1.50 loan rate, 12 year average yield 50 bu. per acre, 1957 crop yield 70 bu. per acre—Hamilton County).

35 Base acreage	
5 Soil Bank	
30 Allotted acres	
50 bu. County ave.	
1,500	
\$1.50 Loan rate	
\$2,250.00 Loan CCC	
30 Allotted acres	
20 bu.	
600 Free No Support	
85¢ Market	
\$510.00	

We can expect about 75% participation, free market about 85¢ at harvest time then go higher.

2-A. 56,275,182 Base acreage $\times$ 25% cut Soil Bank at \$45.00 per acre with \$1.24 loan rate 70 bu. crop (Hamilton County)

120 ACRE FARM

38.5 Base acreage	
-9.6 Soil Bank	
28.9 Allotted acres	
70 Bu. Crop	
2,023	
\$1.24 Loan rate	
\$2,508.52 Loan CCC	

We can expect 40% to 50% participation, or less, depending on the spring moisture, market about \$1.00.

400 ACRE FARM

161 Base acreage	
24 Soil Bank	
137 Allotted acres	
50 Bu. County ave.	
6,850	
\$1.50 Loan rate	
\$10,275.00 Loan CCC	
137 Allotted acres	
20 bu.	
2,740 Free no support	
85¢ Market	
\$2,329.00	

400 ACRE FARM

177 Base acreage	
-44.25 Soil Bank	
132.75 Allotted acres	
70 Bu. Crop	
9,292.50	
\$1.24 Loan rate	
\$11,522.70 Loan CCC	

We can expect 40% to 50% participation, or less, depending on the spring moisture, market about \$1.00.

\$1,080.00 Soil bank Payment
19,275.00 Loan CCC
2,329.00 Market
\$13,684.00 Income

\$1,991.25 Soil Bank Payment
11,522.70 Loan CCC
\$13,513.95 Income

2-B. 56,275,182 Base acreage $\times$ 25% out Soil Bank at \$45.00 per acre 90% Support for (1945-1956) county average, nothing on the balance (\$1.50 loan rate, 12 year average yield 50 bu. per acre, 1937 crop yield 70 bu. per acre—Hamilton County)

120 ACRE FARM	
38.5 Base acreage	\$432.00 Soil Bank Payment
-9.6 Soil Bank	
28.9 Allotted acres	2,167.50 Loan CCC
50 bu. 12 yr. Co. av.	491.30 Market
1,445	
\$1.50 Loan rate	\$3,090.80 Income
2,167.50 Loan CCC	
28.9 Allotted acres	
20 Bu. no support	
578	
85¢ Market	
491.30	

We can expect 50% participation, up or down depending on spring moisture, market 85¢ at harvest time then sharply higher depending on extent of participation.

3-A. 56,275,182 Base acreage $\times$ 20% out Soil Bank at \$45.00 per acre with \$1.24 loan rate, 70 bu. crop (Hamilton County)

120 ACRE FARM	
38.5 Base acreage	\$348.75 Soil Bank Payment
7.75 Soil Bank	
30.75 Allotted acres	2,669.10 Loan CCC
70 Bu. Crop	\$3,017.85 Income
2,152.50	
\$1.24 Loan Rate	
\$2,669.10 Loan CCC	

We can expect 60% minimum to 75% participation, again spring moisture will influence producers, market \$1.10 to \$1.20.

400 ACRE FARM	
177 Base acreage	\$1,991.25 Soil Bank Payment
44.25 Soil Bank	
132.75 Allotted acres	9,956.25 Loan CCC
50 bu. 12 yr. Co. Ave.	2,256.75 Market
6,637.50	
\$1.50 Loan rate	\$14,204.25 Income
9,956.25 Loan CCC	
132.75 Allotted acres	
20 bu. no support	
2,655.00	
85¢ Market	
2,256.75	

400 ACRE FARM	
177 Base acreage	\$1,593.00 Soil Bank Payment
35.40 Soil Bank	
141.60 Allotted acres	12,290.88 Loan CCC
70 bu. crop	\$13,883.88 Income
9,912.00	
\$1.24 Loan rate	
12,290.88 Loan CCC	

SOIL BANK FORMULA APPLIED TO ENTIRE CROP—Continued

B. 56,275,182 Base acreage × 20% cut Soil Bank at \$45.00 per acre 90% Support for (1945-1956) county average, nothing on the balance (\$1.50 loan rate, 12-year average yield 50 bu. per acre, 1957 crop yield 70 bu. per acre—Hamilton County).	
120 ACRE FARM	400 ACRE FARM
38.5 Base acreage	177 Base acreage
7.75 Soil Bank	35.40 Soil Bank
30.75 Allotted acres	141.60 Allotted acres
50 bu. 12 yr. av. yld.	50 bu. 12 yr. av. yld.
1,537.50	7,080.00
\$1.50 Loan rate	\$1.50 Loan rate
2,306.25 Loan CCC	\$10,620.00 Loan CCC
30.75 Allotted acres	141.60 Allotted acres
20 bu. no support	20 bu. no support
615.00	2,832.00
85¢ Market	85¢ Market
522.75	\$2,407.20
	10,620.00 Loan CCC
	2,407.20 Market
	\$14,620.20 Income

We can expect 75% minimum to 90% participation depending on how soon the producers can study the proposal before planting time. The second year 90% will participate if the soil-bank payments are adjusted, market \$1.10 to \$1.25 at harvest time then sharply higher to \$1.50. Within 3 years the market will have surpassed the supports and allotments can be increased and soil-bank decreased or stopped entirely. This will be a "true floor" under all agriculture if the "soil-bank formula" in principal is applied to all supported crops.

We favor the last example 3-B.

CONCLUSION

Some labor is under the false assumption that if we empty all the grain bins, Government warehouses, etc., and throw everything out the window, so to speak, or cut the support price, everything will be solved. To be sure, there would be some drastic changes; insofar as supply is concerned it would only be of temporary duration, unless we can grow some crops that farmers consume in the production of our basics we will have surpluses. Just go back a generation; our fathers farmed with horses and mules; every time my father's Bessie, Maude, or Queenie had a colt, father had a new engine. His boys and girls, too, filled the barns with hay, the bins with oats; that was his fuel. He consumed one-quarter of his production to produce that which he sold.

Today his smart son is totally mechanized; he consumes nothing that he produces to raise the next crop. In our case we spend \$1,750 to \$2,000 for gas, oil, repairs, etc., to say nothing of the depreciation and obsolescence of just tractors. So, on the market goes \$1,750 worth of crops to pay the bill; inasmuch as we don't consume this amount of our production, we actually force the supply-and-demand market to absorb twice as much, or \$3,500 worth of produce. If we consumed as our forefathers did to produce the next crop, it would reduce the surplus by that amount. You can't stop progress, nor would we if we could, consequently agriculture needs new crops, some we could burn up in our tractors.

1. Employ the truth to the limit; remove agriculture from the political football arena.
2. Goal, 100 percent producer participation; all segments be represented including tenant farmers and consumers.
3. Utilize the forces that motivate human nature, the pocketbook.
4. Ever more research, new crops, new industrial uses for agricultural products; cooperative marketing and farmer-owned plants wherein he can contribute some of the labor in the processing and packaging of his products.
5. Promote farmlands into the hands of young operators.
6. It may grow in size but there will always be small family farms; employ (pay) them to find new crops that farmers will consume in the production of the basics before we make further attempts at plowing them under.
7. Not discourage but desist encouraging the age-old maxim, "The rich get richer, the poor pay the freight and have children."

	National base acres	Percent cut	Hamilton County soil-bank payment	Support rate	Size of crop (bushels)	Participation	Market	Government cost/income	
I. A---	51,000,000	15	\$45	1 \$1.24	70	60 percent (top)-----	\$1.10	120-acre farm-----	400-acre farm-----
I. B---	51,000,000	15	45	2 1.50	70	75 percent-----	1.85	B/A ben -\$345/+ \$156-----	B/A ben -\$1,616.61/+ \$712.40.
II. A---	56,275,182	25	45	1 1.24	70	40-50 percent depends, Spring moist.	1.00	A/A ben + \$111/+ \$111-----	A/A ben + \$542.35/+ \$542.35.
B---	56,275,182	25	45	2 1.50	70	50 percent spring moist-----	.85	B/A ben -\$229.50/+ \$261.80-----	B/A ben -\$1,024.10/+ \$1,232.65.
III. A---	56,275,182	20	45	1 1.25	70	60 percent minimum 75 percent.	{ 1.10-1.20 1.10-1.25	A/A ben + \$188.88/+ \$188.88-----	A/A ben + \$912.28/+ \$912.28.
B---	56,275,182	20	45	2 1.50	70	-----	1.50	B/A ben -\$174/+ \$348.75-----	B/A ben -\$748/+ \$1,648.60.
								I. B/A -\$354/+ \$156-----	B/A -\$1,616.60/+ \$712.40.
								II. B/A -\$341.12/+ \$150.28-----	B/A -\$1,566.45/+ \$726.30.
								III. B/A -\$362.85/+ \$159.90-----	B/A -\$1,670.88/+ \$736.32.

1 Total.

2 Average.

Mr. WEISE (reading):

Originally the support program for basic crops was instituted as disaster price insurance. First, provides a price floor. Second, provides an orderly marketing system to prevent harvest gluts. Third, level off the violent price swings in the market place from abnormal lows to extreme highs. Fourth, provided ceilings during the wars.

It seemed like it was a good deal to have a ceiling in the war for us. When the bottom falls out give us another cut. That is the best thing. I can't understand that.

The program has been patched up 15 times in the last 20 years, the latest addition being the soil bank (good principle), everyone complains, condemns, and wonders why it does not work.

Have we not bent every effort, patchwork included, to transforming the function of the program into income insurance, which it is not? Temporarily we can use a crescent wrench as a hammer; however, if we persist hitting hard enough we break the wrench, so we weld it and patch it up 15 times, then complain and condemn the wrench because it does not work as a hammer.

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Coupled with this came better rotation, hybrid seeds, fertilizers, sprays, drainage, contour, portable irrigation; now on the horizon is third dimension and drugs; the technological end is not yet. All this makes a reappraisal of supports essential.

Problem: Reduction of surplus stocks, plus an overall reduction in production without first bankrupting farmers.

Question: How?

Solution: Allotments were based on the then prevailing average production; let us now consider the average production for 1945 to 1956, inclusive.

This takes into account the lifting of ceilings, Korean-war stimulus, total mechanization, plus bumper-crop years.

Apply the allotment and support (soil-bank formula) to a definite number of bushels, bales, pounds, et cetera, for the basic crops with this exception: "Free" portion of the crop can be carried over by the producer to come under support the following year, as in case of a drought, or market it at his discretion. (I am indebted to the cotton farmers for the carryover idea.)

Soil-bank formula: Allotted acres times average yields times percent equals dollars soil-bank payment.

Applied to entire crop thus: Allotted acres times 1945-56 average yield times 90 percent equals support (CCC loan).

Balance of production: Free (no support).

Immediate result: Third less eligible for CCC storage, reduces surpluses by removing incentive to overproduce, yet ties nobody's hands that are willing to produce and sell for less dollars.

Now, right at this point, I want to make note that the soil bank, as it worked this year, we had, I think, some twenty-odd acres that we had some turkeys running on, and they kept this soil-bank thing in a constant flux. And one day it was this and the next day it was that.

And we attended a meeting at 7 o'clock one evening and they informed us that by midnight, tonight, "If you will remove the cattle or cows or hogs or turkeys or whatever is on that piece of ground you can put it in the soil bank and you will be paid for it."

So mama and I went home and hitched up the tractor and by midnight we had the turkeys all moved over, about 20 rods, and we moved the fences over, and the next morning at sunrise we got up and we put up a fence. We got, I believe, 18 acres in the soil bank which was, so far as I am concerned, a bonanza, and reduced no crop whatsoever, no bushel of either oats or beans or flax or corn or anything.

A lot of us took this same money, bonanza money, and I for one used some of it and bought some nitrogen fertilizer and sidedressed my corn.

And although we had a dry year—there is a gentleman to my right here, that lives west of me about 10 or 12 miles, he raised an average of 35 bushels. I had fields, also, in the same area. I had 35 bushels of corn on them. I had this one field that I sidedressed with nitrogen. It averaged about 75 bushels.

Here is a gentleman here just east of me about 4 or 5 miles; he is on this turkey setup, very rich ground; he raised about 75 bushels.

There is a gentleman about 35 miles east of me, got more rainfall, raised 100 bushels of corn.

So the soil-bank money was used to increase bushels, and so we have further headaches.

Incidentally, in connection with the soil-bank payment, I just received a letter here the other day from the office—one thing we would like to get straightened out, it says:

You are hereby notified that payment rate is \$52 an acre. And you have 400-acre farm. You will have corn-acreage allotment of 113.5 acres. As a result of the referendum held December 11, 1956, that will be your acres that will be in effect for 1957.

Right here I want to point out one thing. This gentleman farms good land, just as good land as I do. He just happens to be in a little different district. Different committee of farmers and whoever they were, that went out and arrived at this \$52 an acre on my place are not the same people that arrived at \$47 for his farm.

This gentleman here received \$54 an acre. Somebody else looked at his and they arrived at a different figure; and this gentleman has \$55 an acre.

The land is all comparable. I have a neighbor right across the fence from me—he got \$47. When he sees that I get \$52, do you think he will be happy? I get \$52 and on his land he only gets \$47.

The point I want to make is that we are not only putting crop against crop, we are also putting farmers against farmers; and we are getting dissension among ourselves rather than cooperation, which we so thoroughly need.

Getting back to this corn pamphlet.

We say:

Keep allotments, keep soil bank, support (1945-56) average production only on a countywide basis—

if it is within that county or within the area, wherever the support price is, we should have a general agreement as to the price so we do not have friction among ourselves—

because the support price is decided on a countywide basis or whatever area affected.

This period includes all the stimulants that boosted production and would be most fair in determining the base.

Here again I would like to include that which Mr. Carl Andersen suggested. Not only do we include the corn from commercial corn area but we should take corn in whether it is grown in California, in Hollywood, or New York City, or out in Iowa or Texas or wherever it is.

Mr. POAGE. What would you do about other feed grains, barley and rye and sorghum and oats?

Mr. WEISE. Well, sir, if we apply this formula to all of the crops that have supports, you will have it licked.

Mr. POAGE. Do I understand that you favor applying the same formula to cotton and wheat that you apply to corn?

Mr. WEISE. Anything that has got the support price on it, we want that same formula because these people, whether they raise cotton or tobacco or peanuts, they are all in the same boat.

Mr. POAGE. We think so.

Mr. WEISE. Now, I just got this here 1957 commercial corn area map. The Department of Agriculture gave it to me. I had a little difficulty getting it, but I got it.

We are continually expanding the thing, if you will notice. Why not take it all in and forget this piecemeal stuff of taking in like this?

We have 53 counties taken in in 1957. Last year we took in 38. Maybe next year we will take in a few more. Why not take them in? We could at least save printing this map year after year over again.

The Chief Agricultural Statistician, Washington, D. C., has all pertinent data on file. Any bushels above the (1945-56) per-acre average on allotted acres in the county where it was produced to be "free corn" no support except; he, producer, may elect to carry over the "free corn" to the next season—

that would go for wheat, cotton, barley, peanuts, and everything that there is—

and in case of drought, hail, flood, or other disaster, apply such "free corn" to the average production set for that year or sell, feed, or what, at the producer's discretion.

NOTE.—No Government storage on "free corn"; also only "free corn" grown on allotted acres is eligible for the carryover feature.

This is a very important fact.

This added fact: The Secretary of Agriculture will know before planting season almost to the bushel the amount that will come under support and his Department can project their planning ahead intelligently in dealing with the thus supported crop.

There will be no need of funbling in the dark, nor will we have to make the Secretary of Agriculture wait to get the November 1 crop report before he can act on the next year's allotments and production.

He automatically will have the whole crop year ahead to decide what they will do with the crop or how to dispose of it.

Mr. POAGE. It is very embarrassing for us to be in the position that we are in. We are going to have a bill on the floor and one that should not have been on the floor—it should have been passed Monday but the Secretary of Agriculture just wanted to delay—anyhow, it has been delayed and it is necessary for me to be on the floor.

We do not have a single representative from the corn area left in attendance. Those of us who are interested in this from the general standpoint are interested in your statement.

I don't know whether you can be here tomorrow morning or not.

Mr. WEISE. If we can accomplish anything and you will listen to us we will stay all week.

Mrs. KNUTSON. These gentlemen were at my office yesterday explaining this program. And I can honestly say that it is the most exciting thing I have heard since I came to Washington.

I hope all of the members are going to have a chance to hear it.

Mr. PoAGE. Certainly, we are going to make the opportunity, if possible.

We are faced with this very real situation that we cannot continue the hearing at the present time because we have to be on the floor. I think you realize that.

Mr. WEISE. We realize that, sir.

Mr. PoAGE. If that is satisfactory to you I will adjourn the meeting to 10 o'clock tomorrow morning and you will be on the stand at 10 o'clock tomorrow morning, if that is satisfactory.

Mr. WEISE. Yes, sir; we will be here, sir.

Mr. PoAGE. Thank you, sir.

And the committee will stand adjourned until 10 o'clock tomorrow morning.

(Whereupon, at 12 noon, the committee adjourned, to reconvene at 10 a. m., Thursday, February 7, 1957.)

ACREAGE RESERVE ALLOTMENTS FOR CORN

THURSDAY, FEBRUARY 7, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to recess, at 10:05 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Mr. POAGE. The committee will please come to order. I believe Mr. Weise was on the stand yesterday and we will proceed now.

Mr. ANDRESEN. Parliamentary inquiry. I would like to inquire from the chairman as to the future progress of this hearing. We started out on corn legislation and I understand that from what has been said here in the past few days we are getting more and more into general farm legislation. Is it the purpose of the chairman to extend the hearings so as to cover general farm legislation instead of dealing with this emergency legislation in corn?

Mr. POAGE. It is the purpose of the chairman to hear everybody who comes up here and wants to testify on these bills.

Mr. ANDRESEN. Further parliamentary inquiry. Do we have any bills dealing with general farm legislation or are we just getting the views of different people on general farm legislation?

Mr. POAGE. We are hearing the corn bills at the present time but I don't think that any intelligent man will for a minute assume that corn operates in a vacuum and we are trying to find out the effect of corn legislation over the whole of the United States and not simply in a few States.

We are trying to find out whether we have to go further to achieve the results the corn people tell us they need. We are trying to get a true picture of the whole thing. We are not trying to sit up here and simply say that we will ignore all the factors except one.

Mr. ANDERSEN. That's all.

Mr. POAGE. Mr. Thompson.

Mr. THOMPSON. Will the Chair indulge me just a minute to address the witness? The witness yesterday made some very nice compliments to the Small Farms Subcommittee and extended an invitation for us to come to Iowa to meet with some of his people. I just wanted to say to the witness that many members of that subcommittee have come to me in the meantime and have urged that we go to Iowa; if you are serious in your invitation which I know you are.

STATEMENT OF E. S. WEISE, JEWELL, IOWA, ACCOMPANIED BY
NEEL HILL, WEBSTER CITY, IOWA; WAYNE BRINTON, ELLS-
WORTH, IOWA, AND DALE PETTY, ELDORA, IOWA

Mr. WEISE. Yes, sir.

Mr. THOMPSON. Before you leave Washington, I would like to talk to you about some of the details and make arrangements to come out to your great State. I want to say this to you, we will take the committee to the farmers realizing that most of them can't come to Washington. While there is a constitutional provision which gives every citizen the right and presumably the opportunity to tell his story to the Government, we think the Government must listen to the people.

So, you see me before you get away. We will make these arrangements. I thank you very much for your present approval of what we are trying to do and for your interest in the work.

Mr. WEISE. Thank you.

Members of this committee and Mr. Poage, we thank you again that we have the opportunity extended us, the invitation to appear before you here and like I told you yesterday that my father told me and us boys that we should thank God that we live in America every morning because there is no other country in the world where poor farmers like we are can stand before a committee like this, an august body and present our views and to be listened to.

We can just imagine what would happen to us at the Reichstag in Germany.

Yesterday we got down to this Chief Agricultural Statistician in Washington and I presume we were talking about the different acreages that we had in the different basic crops and while I don't know too much about cotton—what I know about cotton is like an old maid trying to tell a mother that has 12 children how to raise her family, so some of these figures we have may not be just exactly right and we will stand to be corrected here.

Yesterday we were talking about corn and, according to our figures, we have for the last 12 years planted 56,275,182 acres of corn on an average within the commercial corn area. And outside the commercial corn area we planted twenty-six-odd million.

I have a total of, on an average of, I believe it is 83 million acres, around 83 million acres, I think it is. Like I said yesterday with the commercial corn area map, of course, we designated that and that you all well know, we are expanding this commercial corn area every year and last year we put in, I believe it was, 37 counties and for the 1957 commercial corn area we are going to put in 53 counties and of course we suggested that it would be just as well if we would include the whole thing and start from there instead of every year having always many things on emergency legislation—and it seems like corn is one of the crops, basic crops that the participation in the various programs has been very poor and very lax—and it seems like corn is one of the crops, basic crops that the participation in the various programs has been very lax.

Mr. ABERNETHY. May I see that map? I didn't want to interrupt you. Just go ahead.

Mr. WEISE. Yes, sir. As I understand, we are to limit ourselves to corn; is that it, Mr. Chairman?

Mr. POAGE. We are discussing corn legislation. Of course, I think it is proper to consider the effect of corn legislation that it has on any other crop, obviously as I said a while ago we are not trying to legislate in a vacuum. I think you realize that you can't pass corn legislation without affecting other people.

Mr. NEEL HILL. Mr. Chairman, is it as important to a man raising corn in Texas, South Carolina, Georgia, to have some sort of a protection to his family as it is to a man in the commercial corn growing area?

Mr. POAGE. That is one of the very things that is before this committee. Many of us feel that it doesn't make any difference where a man lives or what he grows that he is entitled to the same consideration from the Government.

Mr. NEEL HILL. In the past from the information we get they have tried to throw that line between the North and the South.

We get blamed for cheap corn, cheap hogs. We are supposed to blame it on the boys in the South. The boys in the South, I don't know maybe they are supposed to blame it on the boys of the North; is that about right?

Mr. POAGE. I am afraid there has been altogether too much of that in recent years and it is one of the causes for our present impossible conditions where the corn man and wheat man and all the rest of us are all in bad shape because we have been trying to look after our own interests without regard for what has happened to everybody else.

Mr. NEEL HILL. We should be able to walk up to each other and say hello, shouldn't we?

Mr. POAGE. I think so.

Mr. ANDRESEN. Will the chairman yield?

Mr. POAGE. Certainly.

Mr. ANDRESEN. I have been on this committee for 30 years and I can't quite agree with some of the remarks that have been made. We worked pretty well together here for American agriculture.

Mr. NEEL HILL. I am not talking about the committee, sir.

Mr. ANDRESEN. I thought you were referring to the committee.

Mr. NEEL HILL. I don't think I left that impression. I didn't mean to, I am sorry. I hope I didn't with the rest of you.

Mr. ANDRESEN. I'm sorry I didn't understand you.

Of course it is only natural that farmers who produce corn or cotton will be looking out for their own interests, we expect them to do it. That is why you are here today, testifying on corn or whatever it is you have to say.

Mr. NEEL HILL. But, sir, under the present corn legislation that some are backing, it would be the end of the farm program, more or less in the commercial corn-growing area, if somebody didn't come to bat, as we understand it.

Mr. ANDRESEN. I know it will be the end of a good many things unless we get emergency corn legislation approved by Congress early in this session.

Mr. SMITH. Mr. Chairman?

Mr. POAGE. Yes, Mr. Smith.

Mr. SMITH. I would like to ask a question. The gentleman testifying yesterday made a statement with regard to the different rates of payment on his farm and adjoining farms. You indicated that you were both in the same area.

Mr. WIESE. Yes.

Mr. SMITH. The Congress has been trying to find a formula by which they could work out the rates of payment and they have used the bushel allotment. Those rates have been fixed by your county committees and township committees. I believe you were rather critical of the fact that they made various variations. Coming as you do from a corn State and a purely agricultural community I would like to have your opinion as to how we can improve on that system of determination the rates paid.

Mr. WIESE. I think, if you will pardon me, it is my opinion now, that support, be it 60, 80, 90, or 100 percent on the crop is based on a certain area. I believe in our case it is by the county. Our particular county this year for 1956 is \$1.43. Hardin County just east of us is \$1.44.

Mr. SMITH. Before you get that \$1.43 you have to have some other base to start with. It is but an allotment as to what the farm produced.

Mr. WIESE. Are you talking about the soil-bank payment?

Mr. SMITH. How are you going to pay for those?

Mr. WIESE. We say limit that to that particular area just uniformly. Each farm doesn't have to be separate. That causes friction.

Mr. SMITH. Well are you going to pay the same rate for bushels for the poor farmer in that county?

Mr. WIESE. Only for the average.

Mr. SMITH. You want every farmer in your county to be averaged out for the whole county?

Mr. WIESE. On the soil-bank payments.

Mr. SMITH. For the soil-bank bases?

Mr. WIESE. Yes, sir.

Mr. SMITH. Do you think that is fair?

Mr. WIESE. Yes.

Mr. SMITH. If you had a higher producing farm, would you be willing to take 10 bushels less than your neighbor who has a poorer farm, a rolling farm?

Mr. WIESE. In our territory—and I don't think in anybody else's territory—the division is not that sharp. In my case if my farm is worth \$52 an acre and my neighbor across the fence has the same land as mine, I defy you to tell me the difference. Why should he get \$47 and I get \$52? That causes friction between us.

Mr. SMITH. Because of the formula used, the past production record?

Mr. WIESE. I don't know if I can explain it to you, sir, but the loan rate is based on a countywide area or whatever area it is that is supported. Why can't the soil-bank payments be based on that same area? There could be a variation of a dollar or two.

Mr. SMITH. But that is not fair to the man who has a poor farm as compared to the man who has a good farm.

Mr. WIESE. It has been done by county and township committees, I agree just like you said, but we have various people, I could have one opinion in this place and you could have another one and the third man have still another one. Right?

Then we could get three other people to look at the same thing and we would arrive at still different answers. That is not important, that little variation. I am just telling you that that has caused friction in the past and it is today.

Mr. SMITH. Even the variation of 5 or 6 bushels to an acre on a farm means quite a bit of money when you average the farm out?

Mr. WIESE. Not on the soil-bank check. It will on the loan rate, yes, I agree with you. On their total income, is that what you refer to?

Mr. SMITH. Yes.

Mr. WIESE. We will get to that.

Mr. SMITH. That is what we are interested in—total income.

Mr. WIESE. Righto, we will get to that.

Mr. JOHNSON. The other day when you explained this difference you said the reason was 3 or 4 different fellows set the rate.

Mr. WIESE. Yes.

Mr. NEEL HILL. In my case, I have 2 places, 1 in Webster Township, 1 in Hamilton Township, Webster Township is lower as a whole in fertility than Hamilton. Hamilton receives a much higher pay in average than Webster Township. An my supposedly better farm in Webster Township I receive \$4 less per acre than on the supposedly poorer land in Webster Township where I live.

Mr. POAGE. Isn't that inevitable? Doesn't that always happen? A county that has the representation of being a good county, won't you always get a little higher estimate?

Mr. NEEL HILL. I have the slips right here. I got \$51 per acre in Hamilton Township. I get \$47 an acre—

Mr. POAGE. Yes, that is what I am saying. You get the larger payment in the better township or county even though you may feel your land is better in the poorer county.

Mr. NEEL HILL. It is just the opposite, Mr. Chairman.

Mr. POAGE. You are getting the better payment in the poorer county?

Mr. NEEL HILL. In the poorer county, poorer township, because it was figured by different men.

Mr. POAGE. Which is the better farm?

Mr. NEEL HILL. The Hamilton Township is probably the better farm.

Mr. POAGE. The one you get \$47 for is a better farm than your farm on which you get \$52?

Mr. NEEL HILL. Yes, it should be. It has not been taken care of probably as well.

Mr. POAGE. Then isn't it probable that the local committee simply looked at it and said it had not been taken care of as well as the other one and they made their estimate just like the rest of us would make the estimate on what they thought had been produced, is that what they did?

Mr. WIESE. I think it is irrelevant. We are wasting time. It doesn't amount to over \$10 on a farm. Why talk about that?

Mr. POAGE. There is no solution to that by enlarging the area. Now you have it on a township basis and then you would step it up to a county basis and then you would get a difference between the counties. If you put it on a State basis you would get into the same sort of thing. Yet you would have to have some way of getting down to the people. You can't simply sit here in Washington and make all these estimates. Isn't it inevitable that you get that difference of opinion and if it averages out about right, that is about all we can hope for.

Mr. WIESE. The only reason we brought that in is it has caused friction in the past and is still today.

Mr. POAGE. There is probably no reason to discuss it if you have no remedy for it; if you have a remedy for it which you suggest we would like to hear it.

Mr. WIESE. As long as you support the corn, the actual bushels, the support rate you are supporting it at \$1.43 in Hamilton County. What would be the difference if you supported all the soil bank payments on the same basis because it follows right with the support loan rate.

Mr. POAGE. You mean to pay the soil bank payments on the rate of bushels produced?

Mr. WIESE. It is based on average—the soil bank payment is based on the average yield.

Mr. POAGE. Yes.

Mr. WIESE. Times whatever percentage it was, 60 percent of parity this year, that is how we got our soil bank check. One fellow got \$47 an acre and another \$52 and they are right across the fence from each other.

Mr. POAGE. That was based on a different history?

Mr. WIESE. I don't know.

Mr. POAGE. You just said it was based upon the average yield and your average yield on one farm wasn't the same on one farm as the other.

Mr. WIESE. The average yield for the county was 53 bushels.

Mr. POAGE. But the average yields on those farms weren't the same?

Mr. WIESE. The average yield in a county was 53 bushels. Then the committee—whoever was appointed for that particular township—they just went out to that farm and said this place didn't look like the farm averaged 53 bushels, well we will put it down to 47 or 50 or a different figure. I presume that is the way they arrived at 47 or \$43.12 or whatever the man got.

Mr. POAGE. Would you want them to pay the same on every farm in the country?

Mr. WIESE. For the soil bank payment it doesn't make any difference.

Mr. POAGE. \$179 million difference, that's all it made in the Corn Belt last year.

Mr. WIESE. Most of them only have 6 or 10 something like that soil-bank acres.

If there was a \$3 difference between my farm and his farm and he had the 8 acres and I had 8 acres that is just \$24.

Mr. POAGE. If we pay the \$24 erroneously then we ought to correct it whether it is \$24 million or \$25 million we ought to be fair about it if we can. All I am trying to get at is if you have a suggestion how to correct the error. If you have, we want it. If there is no way of correcting that situation, then I think we are just spinning our wheels in discussing it if nobody could offer a suggestion for correcting it. If there is a way of correcting it, we would be glad to hear it.

Mr. WIESE. Just level it off on a countywide basis. You won't have trouble.

Mr. POAGE. Don't you simply aggravate the situation then and have the same kind of conflicts across county lines?

Mr. WIESE. We have now on the support price. He gets \$1.44 and I get \$1.43, just a fence between us.

Mr. POAGE. I see. You don't like that?

Mr. WIESE. Yes; we have no quarrel with that.

Mr. POAGE. I do. It seems to me that there is no reason why county lines should make a difference in the support rates.

Mr. WIESE. Freight rates.

Mr. POAGE. That is your freight rate differential. There is no difference in the support price just the cost of getting it to storage is different.

Mr. WIESE. Let's put it the net to us.

Mr. SIMPSON. I would like to ask one of the witnesses who stated he received \$51 an acre, is that acreage reserve check?

Mr. NEEL HILL. Yes, sir.

Mr. SIMPSON. What is the value of that land?

Mr. NEEL HILL. Probably \$400 right now.

Mr. SIMPSON. \$51 an acre is 10 percent on \$510 an acre.

Mr. NEEL HILL. Seven acres in acreage reserve.

Mr. SIMPSON. Regardless of the number of acres, if you received \$51 an acre——

Mr. NEEL HILL. And it was taken out of other oats and hay.

Mr. SIMPSON. As an acreage reserveship and the land is worth \$400 an acre, that is better than 10 percent for doing nothing. Isn't it?

Mr. NEEL HILL. The soil bank originally was to take basic crops out of production.

Mr. SIMPSON. I realize that. You haven't answered me. If you get \$51 an acre acreage reserve check for laying out ground and the ground is worth how much an acre, did you say?

Mr. NEEL HILL. \$400.

Mr. SIMPSON. That is better than 10 percent.

Mr. WIESE. We have no quarrel with that.

Mr. SIMPSON. It seems like a pretty good return for doing nothing.

Mr. NEEL HILL. I would personally prefer high supports and that soil bank would be no payments. You would have to put small percentages——

Mr. SIMPSON. I voted for high supports and it was vetoed. The chances are if the President and Benson keep the same views now as they have had for the last 4 years you are not going to get high supports for the next 4 years. We have to live with this thing. We have to be practical. This committee reported out a high-support bill.

I voted for it. The majority of the committee did. So you will have to live with flexible unless Benson and Eisenhower change their views. We have to be practical here. But I still contend that \$51 an acre acreage reserve check on \$400 land is a pretty good return.

Mr. JOHNSON. Did I understand the witness to say he took that 7 acres out of oats.

Mr. NEEL HILL. Yes, sir.

Mr. JOHNSON. Then you planted less corn as a result of that?

Mr. NEEL HILL. No; the soil bank didn't come into effect until after the corn was already planted. I was already within my acreage allotments.

Mr. JOHNSON. So they let you take 7 acres of of oats?

Mr. NEEL HILL. And some hay.

Mr. JOHNSON. If you had an overplanting of corn they wouldn't allow you to take it out of oats?

Mr. NEEL HILL. No.

Mr. SIMPSON. Last year you could take your soil-bank payments out of any tillable acres. You didn't have to cut a hundred acres of corn 15 percent you could take it out of beans or anything else and you could get your acreage reserve payment last year.

Mr. NEEL HILL. That is what I did.

Mr. JOHNSON. What would your oats have brought you if you had harvested it.

Mr. NEEL HILL. Maybe \$50 an acre. It was a bonanza as far as we were concerned.

Mr. POAGE. Just one question I want to ask you. As I understand it, you favor putting everybody in the country on the same basis when it comes to payments. That would mean paying the average.

Mr. WIESE. For just soil bank.

Mr. POAGE. We are talking about soil bank. Soil bank involved \$179 million in taxpayers' money in corn alone last year and it didn't cut corn acreage, so it is important that we talk about it, it seems to me.

Mr. WIESE. I agree.

Mr. POAGE. I want to hear about it. You tell us that you would like to have it paid on an average basis across the county. That average is made up of the high-producing land, the best land in the county and the poorest land; isn't it?

Mr. WIESE. Yes.

Mr. POAGE. Your counties may be more uniform than mine. We have land in my home county that will always produce if it rains at all. We will produce on some of that land, 60 bushels of corn on that land. But we have a lot of land that won't average 10 bushels of corn a year.

Mr. WIESE. I agree with you.

Mr. POAGE. Would you pay everybody exactly the same in the county? And our average would be around 20 bushels. Would you pay everybody the same for putting the kind of land in the soil bank?

Mr. WIESE. Comparable land; yes.

Mr. POAGE. It is not at all comparable. The bottom land is not comparable to some of the washed-out hillsides. If you paid the same all over the country—

Mr. WIESE. We don't have that kind of abrupt difference.

Mr. POAGE. But would you get any of the best or better land; would you get an acre of the better land in the soil bank if you paid merely on the average?

Mr. WIESE. The payments, as far as I am concerned—I have one of the better places there—as far as I'm concerned the soil-bank payment don't mean much to me. I am interested in the bushels. I am interested in the total income I get off the place.

Mr. POAGE. Let's stay on this until we at least exhaust this particular question. What is the average payment in your county?

Mr. WIESE. I think it is about \$48.

Mr. POAGE. Then you told us, I believe, that you had some of the best land.

Mr. WIESE. I get 52; this gentleman gets 54.

Mr. POAGE. Would this gentleman put any land in the soil bank if he gets 48?

Mr. WIESE. It depends on what he gets for the rest, for the other part of the crop. The support price on the balance.

Mr. POAGE. I am talking about the soil bank under present conditions; would you put any of your better land in the soil bank?

Mr. WIESE. With the setup as it is right now; the way it stands today?

Mr. POAGE. Yes.

Mr. WIESE. None; very little will go in in Iowa.

Mr. POAGE. Just proceed.

Mr. WIESE. I'm sorry if I am wrong; I stand corrected.

Mr. POAGE. I am not charging you with being wrong. We are simply trying to get you to answer my question, but I see you didn't want to answer it.

Mr. WIESE. I will answer it if I know how.

Mr. POAGE. I am simply asking you the simple question if you pay everybody at the same rate in the county how would you expect to get the fellow in the soil bank who has the best land in the county?

Mr. PETTY. Sir, may I say something?

Mr. POAGE. Certainly.

Mr. PETTY. In our county the average rate would be around 48 or 49. It seems to me that farmers in general will within a township—they all feel more or less together, one big family and in a county, they don't care so much about the next township, but if all those farmers were in one township, could be treated alike, they would be all right.

Mr. POAGE. That would be all right if everybody in the township had exactly the same kind of land—and you may have much greater uniformity in your land than we do in many other sections of the country. In my county some of the best land is within half a mile of the poorest land in the county. I think it is that way in most parts of the United States.

Mr. McINTIRE. Mr. Chairman, in my area that difference exists on the same farm.

Mr. POAGE. I think it is true.

Mr. PETTY. The soil bank wants to serve two things: Get land out of production and give the farmers some income. If you give everyone the same proportion within the county, the man who has the good ground he doesn't need a higher payment anyway. But that fellow with the poorer ground he needs the income right now. Why not put them all on an even basis, and we don't know this soil bank will go continually anyway.

Mr. POAGE. I am one of those who thinks there is much merit to the philosophy that maybe we ought to put in a lot of the marginal land in the soil bank. I know that is not the philosophy under which the bill was passed.

Mr. WIESE. That is exactly the land we put in the soil bank.

Mr. POAGE. I think that is what everybody does.

Mr. WIESE. That is human nature. That is why nobody will complain, because the rates are going to be exactly the same.

Mr. POAGE. But if we adopt that philosophy we will have to readjust our rates of payment.

Mr. PETTY. If the man can make enough on his corn, he is going to get back into a rotation and he will have his own soil bank.

Mr. WIESE. That's right. Could I continue, sir?

Mr. SMITH. I don't know about the corn and land in Iowa but I know something about the land in the Ohio plains area. Our rates

were set in Manhattan by county as to the number of bushels that county had in the production of wheat.

Then the county committee had a given number of bushels that that county had produced in all their land. Then they took the good land and said it is 15 bushels per acre and took the poor land and said it is 10 bushels per acre. But they had to balance out. They had to balance the number of bushels that the State organization said. That is the only way that you can make a solution.

Mr. POAGE. We had the same solution in Texas of balancing in your county between the high and low.

Mr. SIMPSON. I understood one of you to say you didn't put your best land in your soil bank.

Mr. WIESE. That's right.

Mr. SIMPSON. I don't think they did it in Illinois where I came from.

Mr. WIESE. Naturally. May I continue?

This added fact: The Secretary of Agriculture will know before planning season, almost to the bushel, the amount that will come under support, and his Department can project their planning ahead intelligently in dealing with the thus supported crop. There will be no need of fumbling in the dark, nor will we have to make the Secretary of Agriculture wait to get the November 1 crop report before he can act on the next year's allotments and production.

If CCC stocks are burdensome as at present, the average per bushel per acre can be reduced accordingly across the board. Further, the incentives to produce extra bushels above the average acreage allotments can be increased, the averages raised, soil bank decreased, removed, or any combination that would best suit the circumstances. This then will be a true flexible rule, and because we have a flexible quantity the price automatically falls in line; thus, we bring to light the fact that then we will cooperate with and not against the laws of supply and demand. An airplane flies through the air because the function of its design utilizes and cooperates with the forces of nature. It represents some of the finest engineering skills in the world, yet an airplane is worse than worthless as a bulldozer. We must use the instruments for what they are designed.

As far as we are concerned, the flexible price I don't think had anything to do with the amount of acres we planted except in 1956 when we had support at \$1.25 on a national basis and you could plant any corn you wanted.

Mr. POAGE. That is the first time you had the flexible price; wasn't it?

Mr. WIESE. Yes, I want to say that the farmers do not plant according to price except in 1956 when we had this \$1 and a quarter and they planted everything in corn. I had neighbors who planted all farms to corn. Mr. H. Carl Anderson yesterday said he planted 160 acres.

Mr. POAGE. In other words you planted more when you had the lower support prices than you did when you had higher support prices. I am sure that is always true of almost every commodity. It was true in your case; wasn't it?

Mr. WIESE. Yes. The point is how are we going to get compliance—with corn compliance has been a headache ever since we had supports. How are we going to get compliance on this corn if we tell the man now here you have to comply with this and the support price is so

much and if you don't comply with it you can plant all you like and we will give you \$1.25 and there was only 15 cents difference. This year there will only be 5 cents.

Mr. SIMPSON. Do you mind telling me how many acres of land you have on your farm?

Mr. WIESE. 400, sir.

Mr. SIMPSON. Do you mind telling me how you obtained that land?

Mr. WIESE. I rent it. I am a tenant farmer.

Mr. SIMPSON. Is it all tillable?

Mr. WIESE. Yes, farmed right up to the kitchen window, sir.

Mr. SIMPSON. Feed hogs?

Mr. WIESE. Yes.

Mr. SIMPSON. Cattle?

Mr. WIESE. Yes.

Turkeys, too.

Mr. SIMPSON. How did the owner of the land get possession of it?

Mr. WIESE. The present owner inherited it.

Mr. SIMPSON. Does he owe anything on it?

Mr. WIESE. I couldn't tell you anything about their personal affairs.

Mr. SIMPSON. Did you make any money in 1956?

Mr. WIESE. 1956, that would be this year?

Mr. SIMPSON. No, last year.

Mr. WIESE. Yes, I did.

Mr. SIMPSON. Do you mind saying how much?

Mr. WIESE. I would rather not. I will tell you what I made in 1955, however.

Mr. SIMPSON. You are willing to tell what you lost but you are not going to tell me what you made.

Mr. WIESE. I'll tell you, there is a real-estate deal involved and I would rather not disclose it.

Mr. SIMPSON. 400 acres of land in that farm and it is worth \$600 an acre.

Mr. WIESE. Not this place ain't worth \$400.

Mr. SIMPSON. What is it worth?

Mr. WIESE. The market price would be about \$325 an acre.

Mr. SIMPSON. \$300 an acre is \$120,000?

Mr. WIESE. Right.

Mr. SIMPSON. If this man inherited this land, certainly it appreciated in value since World War II?

Mr. WIESE. Yes, sir, you bet you.

Mr. SIMPSON. It hasn't gone down any?

Mr. WIESE. No, sir. It might be higher tomorrow.

Mr. SIMPSON. High-priced land in Illinois where I come from sells for \$600 an acre. Not all of it, that is the top. How do you account for the fact that farmland is continually going up as against all the hollering about farm conditions?

Mr. WIESE. It is very simple.

Mr. SIMPSON. Not to me.

Mr. WIESE. I have had a neighbor right across from me. He farms 120 acres. I farm 400 acres. He has all the farm machinery that I have. He can only run one tractor at a time. I run one tractor at a time. When he starts out and farms he has an allotment of 35 acres and when he starts to plant corn, if he works about 25 or 30 hours a week he runs out of land; he can't farm any more. I can farm for

20 hours a week and another 20 hours and then I can farm another 20 hours: I still have land to farm.

Mr. SIMPSON. What do you recommend to change the situation that that poor fellow has 120 acres to farm and you have 400?

Mr. WIESE. Obviously we can't buy everybody a 400-acre farm.

Mr. SIMPSON. I am a little dealer in automobiles. I don't know how to get a factory to give me as many cars as they do to the big city dealer when they are scarce.

Mr. WIESE. We don't want everything divided.

Mr. SIMPSON. Is anybody buying up all the land?

Mr. WIESE. Could I finish this thing and then you will ask me all the questions you like. My neighbor across the fence is farming 120 acres and he has a 25-acre corn base.

Mr. SIMPSON. Does he own the farm?

Mr. WIESE. No, he is a tenant like I am. Like I said he farms for 20 hours a week and he runs out of land and I farm for 80 hours a week. He works for 20 hours a week and I work 80 hours a week. He gets paid straight time for 20 hours. I get paid straight time for 20 hours. I get time and a half for the next 20 hours and double time for the next 20 and so forth. It works down to this: The bushel cost per unit base is so much less on my place than it is on his if we continue to go along as we are, in 10 years I can swallow him up. That is what has been happening in Iowa and in Illinois, too. To a certain extent we have had doctors and bankers and lawyers come out and buy land. But we have mostly in the last years when the land is up to \$300 an acre it is that farmer that buys the land next to him to put his boy or son or nephew or somebody. The doctors are not buying land in our country. Lately a brewery fellow bought 1,600 acres in one chunk but paid \$200 an acre.

Mr. SIMPSON. How did he happen to find it?

Mr. WIESE. It was a mud lake. A man from Ames College drained the lake, but went bankrupt. Another fellow went in and went bankrupt on it. Now a contractor came in and dredged the ditches. For 2 years we had dry years and the lake produced large crops and a man came from Milwaukee and looked at the place when the ears of corn were hanging out like neck yoke.

Mr. SIMPSON. In other words the owner found a sucker?

Mr. WIESE. Right. It happens every day. You can sell a used car on the same basis.

Mr. SIMPSON. No, you can't.

Mr. WIESE. It is being done every day. I don't accuse you of doing it.

Mr. SIMPSON. I wish you could, but you can't.

What do you feel can be done to correct this situation?

Mr. WIESE. You are ahead of me, just a little bit.

In the years of 1954 and 1955 the noncooperator overplanted by an amount equal to the cooperators reduced planting, I presume you had it in your area—much of the cooperator's crop was held off the market by "purchase agreements" thereby giving the "free rider"—that is the man on the outside, the noncooperative operator. A market for his bumper crops at the same time saddling the Government with CCC and private storage of unprecedented stocks of commodities.

Mr. SIMPSON. Let me ask you a question. Only about 40 out of every 100 farmers have complied with this corn program because it is not compulsory.

Mr. WIESE. Right.

Mr. SIMPSON. Are you in the 45 or the 60 bracket?

Mr. WIESE. I was in the program ever since it was started.

Mr. SIMPSON. You always complied?

Mr. WIESE. Yes.

Mr. SIMPSON. Go ahead.

Mr. WIESE. Also in the absence of "cross compliance" we accumulated unparalleled amounts of feed grains although much of it was compressed by a 7-to-1 ratio. This mountain of feed found itself on the markets in the fall of 1955 to the spring of 1956 in the form of slaughter livestock and edible products of every description. At depressed prices, naturally a clamor for "income protection" ensued.

Am I right? Everybody is hollering, "We are going broke." I was here when everybody was trying to get Benson to put support on the hogs. When I arrived in North Carolina and they saw the Iowa license number on the car they wanted to hold a meeting. They said, "Here's the man from Iowa. He will get supports on these hogs." I said, "We don't want any supports."

Mr. SIMPSON. There is no support on hogs or cattle.

Mr. WIESE. I don't want any.

Mr. SIMPSON. You are just exactly the same as every livestock man who appeared before the committee and said, "We want to be left alone and we don't want control."

Mr. WIESE. Right. They told me in North Carolina if we get supports on these hogs, we will raise hogs and cattle and the White House lawn will be full of hogs.

Mr. ABERNETHY. They didn't want supports. They just wanted the Government to buy their supply of surplus; isn't that right?

Mr. SIMPSON. You came on this committee the same time I did, and all these Texans and the Southwest came in before this committee and said, "We want no controls on livestock; leave us alone."

Mr. ABERNETHY. Just buy our surplus.

Mr. SIMPSON. Is there anything wrong with the price of hogs at \$16 and \$19?

Mr. WIESE. No; I have something to sell, I will make money on it.

Mr. SIMPSON. I think it ought to be 20.

Mr. WIESE. That's all right, I will take that, too. We were in the same boat with 176 steers and 500 hogs, but the built-in shock-absorber—size of cultivated farm—softened the blow for me. The little operator took it on the chin. We must have a program that helps the livestock feeder as well as the cereal, oil, feed, grain, and fiber producer.

Mr. SIMPSON. A minute ago you said you didn't want control.

Mr. WIESE. We don't want support of it.

Mr. SIMPSON. Now you say you want livestock help.

Mr. WIESE. No; I don't. You have to have a program that helps the livestock feeder.

Mr. SIMPSON. How will you have a program to help him without help?

Mr. WIESE. If you have 50-cent corn you will have 5-cent hogs.

Mr. SIMPSON. That is an old axiom.

Mr. WIESE. If we keep the corn price up we will help the livestock feeder.

Mr. SIMPSON. That is the theory of the 1938 act. If you keep up corn, you ought to keep up hogs and cattle.

Mr. WIESE. Don't you agree?

Mr. SIMPSON. Yes.

Mr. WIESE. Then we are in agreement. On this cattle deal, nobody told me to buy the steers, I bought them of my own free will and I fed them. I sold some in Chicago, some in Omaha, some in Webster City, sold some at home and in all different places. These hogs went all different places, too.

Mr. SIMPSON. Those cattle you bought came over some range.

Mr. WIESE. Yes; I bought some right at home. Some from the neighbors. Some came out of Nebraska, some from North Carolina, some from Montana.

Mr. SIMPSON. Did you get some from Texas?

Mr. WIESE. Yes.

Mr. SIMPSON. You are the fellow who helped put the good steak on that steer?

Mr. WIESE. Yes; and they like our cattle and they buy them, too. And the hotels get our meat. When we bring that meat into Chicago, the chain stores and the hotels and stuff buy them.

Mr. SIMPSON. No grass-fed steers. They are no good.

Mr. WIESE. That's right. I can't blame the administration if I bought the cattle too high and fed them the corn. I gambled on that. I can't blame the administration or anybody else who is in authority if I take a loss on that cattle. If I bought them too high, that is my fault.

Well bought, half sold, that is the axiom if you are in the cattle business. I lost \$4,000 on operation on hogs and that is my fault. I bought them and it is my fault.

We will have to break it down to Hamilton County and I can show you how this thing will work. Will you permit me to go through with this.

Mr. SIMPSON. All right.

Mr. POAGE. Go ahead.

Mr. WIESE. Now here we have some of the finest grade A land that lies out of doors, which produces tremendous amounts of cattle, hogs, turkeys, poultry, eggs, dairy products, sheep and wool, together with an alltime record supply of CCC-owned stocks of grain, plus alltime record private storage under CCC loans. Yet we have been shipping in grain from other States into this already overloaded area to take care of the livestock needs for years.

Now, if you will turn to page 5; last year when I was down here in March we had 3,500,000 bushels of grain in this Government tin can and there is a lot of it out in the country and in our elevators and I happen to be vice president of the Jewel Co-op Elevator Co. and a member of the Ellsworth Co-op Elevator Co. and a member of the Radcliff Elevator Co. We have been building elevators all the time. We have 4,500,000 bushels of corn under storage which we are paid by the CCC a certain fee per bushel for storage, the storage rate. In 1956 we built a million bushels of storage in Hamilton County. We practically cleared it up. We would have had the full bushel; we had a

little hail in Radcliff County and the farmers kept some other places. We will have to build more storage in 1956 and the Government will get this corn unless the market stays above their particular rate.

If you will notice, on page 5, that we have all kinds of yields and we have good farmers and poor farmers. In your case you said you had land that made 10 bushels an acre and some 60 bushels an acre. Who fills up the tin can; is it the little guy, or is it the fellow who produces a hundred bushels an acre? I am one of the guys that filled up them tin cans and I want to say this, that the farmers are not happy about all this surplus supply. We would rather earn our own way. In order to take an average, you must take the large crop into consideration as well as the small crop, and you drive an average right through there.

What we want the soil-bank formula to do is this: It would put the support under the first bushels of the crop. That is what costs you the money. After you reach that average stage, we will say, for our particular county, 50 bushels, what is above that there is no support on whatsoever.

I have here a book, soil survey of Iowa, Hamilton County, published in 1921, and the average then was 45 bushels an acre. Then they talk about what it will take out of the ground, and we get as high as 75 bushels an acre, that's in 1921, before we had hybrid seed corn or anything.

I have another booklet here, bulletin No. 71, published in 1935; it goes all the way back there in 1890 to 1934.

Hamilton County in 1894 had a dry year and raised 11 bushels an acre. Then yielded as high as 47, 48, and even had 52, 1 year in the average.

There was no hybrid seed or anything involved in those days. Naturally our average has been going up right along.

Mr. JOHNSON. Will you state the average that you are producing now?

Mr. WIESE. I think this year it is 53 in the county. This was a dry year.

Mr. JOHNSON. What is that in a good year?

Mr. WIESE. 75, 90, 100. This fellow had 100 bushels. He had rain there. I had fields on the same farm, an alfalfa field that produced 35 bushels and another field that produced 75 had we put in ammonium nitrate. We averaged about 55 to 60 bushels an acre in 3 fields of corn. In ordinary times we average 70, 80, 90, and even more. It depends on the year.

What actually happened, we will limit ourselves to the commercial corn area to start with and then we can talk about the others later on because my figures are based on the commercial corn area first. And this is based on fact. There is no fiction to this. We dug all these figures out of the Department of Agriculture, Mr. Marvin McLain gave them to me. He was in my house in Iowa and we sat down and discussed this thing in this, the commercial corn areas 1955-56, the 12-year average was 56,275,182 acres.

In 1952 we had allotments of 46,246,973 acres and in Hamilton County the support was \$1.57. We planted 52,591,240 acres and we had 44.7 percent participation. At the same time we had 55.3 percent nonparticipation. These noncooperators, we will call them, overplanted their allotment 13.8 percent.

In 1954 we had allotments again of 46,995,504 acres. We had a support price, it dropped 2 cents, \$1.55. We planted 56,505,000 acres and the people that participated was 40.2 percent. The noncooperators 59.8 and those who overplanted were 20.4 percent.

In 1955 we had allotments of 49,842,687 acres. The rate dropped again and it was \$1.51. We planted 56,027,040 acres and those who participated were 50.8 percent and those who did not participate were 49.2 and they overplanted by 12.4 percent.

If we take that average in 1956 we don't know what it is. I estimated the average 56,275,182 acres. That was on a 51-million base acre deal. I couldn't get the figures out of the Department, the Department of Agriculture. We had about 40 percent participation. The average allotment was 47,697,058 acres and we actually planted 55,040,828 acres. The average participation was 45.2 percent. The noncooperators was 54.8 and they overplanted by 15.4.

You have the mathematical equation there and they overplanted 7,345,348. We filled up the CCC warehouse. Cooperators reduced plantings plus CCC storage loans withheld grain from the supply and demand market thereby creating a market for the free riders (noncooperator) excessive plantings. These producers were encouraged to take advantage of and profit by this setup at the expense of the cooperators and Uncle Sam.

Now we arrive in 1957 and what now? Well, the first thing we had on our referendum was this 51-million-acre base, and the referendum indicated that the farmers wanted to plant 37 million allotted acres times \$1.36 per bushel; that is the national average which would be \$1.92 per bushel in Hamilton County. The participation we can expect in that is nil.

Now, the 51 million base acres which has been under discussion and which was the other alternative which they are trying to resurrect is 51 million basic acres times 15 percent soil-bank cut and I just had \$45 an acre as average because it makes it easier arithmetic.

With the support loans at \$1.24 in Hamilton County and the participation is top of 60 percent. It can be a lot less than that. It depends on what the spring wash will be.

How they arrived at 51 million I haven't been able to find out. I don't know what formula they used to arrive at that. We went back and took the actual figures that we did plant in the 12-year average and that was 56,275,182 base acres. I want to say that the soil bank is a good thing, it is a good tool and we can use it to several different advantages.

We will use that as a base acreage times 25 percent soil-bank cut, \$45 an acre at \$1.24 and the participation expected in this case would be 40 to 50 percent depending on the spring moisture again.

Under the 51-million-acre base you will plant 48,520,078 acres. But it depends on the spring moisture again. Under the 56 million with a 25-percent cut we will plant 49 million, 49,240,279 estimated plantings. So we set a compromise which suggests the following: that we take 56,275,182 base acres times a 20-percent cut instead of 25 from the original figure there at the same rates, \$45 an acre in soil bank and \$1.24 in Hamilton County, and you can expect a minimum of 60-percent participation up to 75 percent depending on the spring moisture, and we would plant 47,833,910 acres and we would plant less

acres than under the 51 million and there would be less soil-bank money involved.

Mr. POAGE. Why would less soil-bank money be involved?

Mr. WIESE. I will have to give you the examples of several alternatives that appear on page 7. If you will follow me I will go through with this here. We have two farms here. We have a 400-acre farm, the one that I farm. There is a 120-acre farm that is my neighbor's farm across the fence. He has 35 base acres—we are talking about 51 million base acres times the 15-percent soil-bank cut at \$45 per acre with \$1.24 loan rate and 70-bushel crop at Hamilton County.

This is on page 7-1-A where 51 million base acres times 15-percent cut soil bank at \$45 per acre with \$1.24 loan rate 70-bushel crop for Hamilton County:

35 base acreage:

5 soil bank: \$225 soil-bank payment

30 allotted acres: \$2,604 loan CCC

70-bushel crop: \$2,829 income

2,100 at \$1.24 loan rate equals 2,604 loan CCC

Turn over on page 8. We have that same farm, same base acre times a 15-percent soil bank at the same rate, \$45 per acre, but here we start with a 90-percent support for the 1945-55 county average and nothing on the balance.

There would be \$1.50 loan rate and 12-year average yield 50 bushels per acre 1957 crop yield 70 bushels per acre, Hamilton County.

You have the same base acre, 35 base acre, that's a \$2,508.52 loan. You will notice that cost the Government \$345 less than that and we have 600 bushels of free corn. There is no support on it and we put the price down to 85 cents, which was plenty low. That gives them \$510. In other words, he has an income of \$2.985 which is \$165 for that more than he received from the other setup costing the Government \$345 less.

Mr. POAGE. I understand of course if you make the 90-percent loan that the farmer will get a greater income than he will on a 75-percent support and this committee understands that and this committee voted for that late last year but the question I asked you was how you achieve a smaller expenditure for the soil bank, which is what I understood you to say, it would cost less soil-bank money.

Mr. WIESE. There are three different setups and I will have to go through it to show you what it is if you don't mind, sir.

Mr. POAGE. All right.

Mr. WIESE. We can expect about 75 percent participation in the free market about 65 percent at harvest time and then it will go higher.

Number 256,275,182 base acres times a 25 percent cut with the same cuts, same bushels and everything. Now naturally he would have more base acres under 56 million than under 51. So he has 38.5 base acres and he has a 9.6 soil bank which gives him \$432 which is more money, soil-bank payment under this case than it would be under the first one.

Mr. POAGE. That is exactly the reverse of what I understood you to say. I evidently misunderstood you. I thought you said you would pay out less money for the soil bank.

Mr. WIESE. You pay out less total money, not just soil bank. Let me put it that way.

We are under 2-A, he has 28.9 allotted acres against 30 allotted acres. He has the same crop, 70-bushel crop \$1.24 loan rate, he has \$2,508.52 loan. It gives him an income of \$2,940.52.

Mr. POAGE. Mr. Wiese, before I can understand these figures, what rate of loss do you apply to the Government on those loans?

Mr. WIESE. Well, when are you going to consummate the corn or going to settle the corn on this corn that you will take in under this setup? When are you going to deliver this corn out of the Government bin?

Mr. POAGE. I don't know. Presumably you would use the same figure for both, if you are to make a fair comparison. You will use the same figure for the 51 and 56 million. Using that same figure, how can you figure there is less loss on the 56 than there is on the 51 million acres?

Mr. WIESE. Because you do not sell up only 50 bushels against 70 bushels. There are 20 bushels of that crop per acreage free there is no support on whatsoever. You sell up the first 50 bushels and nothing on the balance. He can raise only 50 or he can raise 100 bushels on an acre. Right?

Mr. POAGE. I don't know.

Mr. WIESE. All right. Now we will take No. 3A. Under 3A we will take that 56,275,182 base acres times a 20 percent cut. That is a \$45 per acre, the same rate; 70-bushel crop. Now he has a higher base acreage which is 38.5. He has 7 and 75 acres in the soil bank which gives him \$348.75 but he has 30.75 allotted acres. He has only three-fourths of an acre than he has under the 51 million acres that he plants. And he has 70-bushel crop to himself a \$1.24 loan rate and he gets \$3,017.85. Now under B on page 10 we have the same thing and we apply the soil bank formula to this, 90 percent support for the first average bushels and nothing after that.

He has 1,537½ bushels at \$1.50 loan rate gives him \$2,306.25.

Mr. SIMPSON. May I ask a question?

Mr. POAGE. Yes.

Mr. SIMPSON. Does your program have the approval of the farm organizations of Iowa?

Mr. WIESE. Nobody wants to commit themselves, sir.

Mr. SIMPSON. Does it have the approval of any of the farm organizations?

Mr. WIESE. We have a little organization known as the GI Farmers.

Mr. SIMPSON. Does it have the approval of the NFO, the Grange, the Farm Bureau?

Mr. WIESE. The Grange; Mr. Parker sat down here yesterday and said, "Boys, I think you are right on the right track." Mr. Parker of the Grange.

Mr. SIMPSON. The Grange of Iowa. Right now do you have the approval of any farm organization in Iowa for your program?

Mr. WIESE. The GI Farmers.

Mr. SIMPSON. That's all.

Mr. ANDRESEN. Mr. Chairman, may I ask a question?

Mr. POAGE. Sure.

Mr. ANDRESEN. You are urging that the acreage be fixed at 56 million plus.

Mr. WIESE. Yes.

Mr. ANDRESEN. If we do not pass any legislation, you will have 37 million acres. Would you feel that it would be better to take 51 million acres than 37 million acres?

Mr. WIESE. At the \$1.24 rate you say?

Mr. ANDRESEN. Thirty-seven million acres is what has been announced would be the base acreage for the corn this year.

Mr. WIESE. Yes.

Mr. ANDRESEN. This bill we have before us proposes to increase that acreage to 51 million acres?

Mr. WIESE. Yes.

Mr. ANDRESEN. You are recommending a 56-million acre?

Mr. WIESE. Yes.

Mr. ANDRESEN. Now, would you rather have the 51 million acres than no legislation at all?

Mr. WIESE. It depends on what the rate is because it isn't compulsory and we will plant instead of 51 million we will probably plant 60 million acres this year. Before I left Des Moines an attorney I have has 18 farms. He knew I was leaving. He said, "When you get down there you tell them guys if they don't put in anything realistic, we will plant the whole farm to corn." They were always in the program.

Mr. ANDRESEN. You don't think the 51 million acres will bring about the putting of any land in the soil bank.

Mr. WIESE. No, I will not put any in. I bent over backward to stay in the program all the time because I think we should.

Mr. ANDRESEN. How do you feel about letting the law stand as it is without doing anything?

Mr. WIESE. You won't have any participation. You won't have any cooperation, that's all.

Mr. ANDRESEN. You don't want—you say you won't have participation at 51 million acres?

Mr. WIESE. Not at \$1.25.

Mr. ANDRESEN. You are recommending \$1.50.

Mr. WIESE. For only the average, nothing for the balance. Right on page 10B, here is my neighbor's farm and here is my farm, too. I got 400 acres and I have a basic acreage of 17 acres. I will have 35.4 in the soil bank; that will give me a soil-bank check of \$1,593. I have an allotted acreage of 141.6 times 50 bushels gives me 7,080 bushels; at \$1.50 gives me \$10,620 for the CC loan rate. I would have or he will have 615 bushels without support and I will have 2,932 bushels.

Mr. JOHNSON. What will you do with that corn in that event, feed it up?

Mr. WIESE. Feed it up or seal it.

Mr. ANDRESEN. You feed your corn?

Mr. WIESE. No, sir; I can seal up corn and buy it back from the elevator and buy free corn and haul it in from Minnesota.

That is what is wrong on that setup. How much fat does it put on my hogs, how much milk in a bucket, or when you are trucking that stuff from Minnesota down to Jewel?

Mr. ANDRESEN. You come up and get it.

Mr. WIESE. They have to deliver it to my place.

Mr. ANDRESEN. Many do come up and get it. They sell their own corn and come up to Minnesota and buy high-moisture corn.

Mr. WIESE. And we are forever expanding that area. That is why we are doing that. Mr. Hoeven knows that. He feeds a lot of cattle up in his country.

Mr. POAGE. Then that is saying, is it not, that you cannot ever solve the corn problem until you solve this matter of commercial area and noncommercial corn area and treat them alike?

Mr. WIESE. Right.

Mr. JOHNSON. You don't think there should be any compulsion to make them come under the act.

Mr. WIESE. No; I don't want anybody to tell me, "You don't do that"; you will throw me in jail. You can do it through the pocket-book. There is nothing that has been done in peacetime in this country unless there is a monetary remuneration involved. That takes in defense and everything.

Mr. JOHNSON. The other crops have marketing quotas and have to stick to what the Government says, peanuts, wheat, and so forth. Corn is the only one that doesn't. You don't want the program they have.

Mr. WIESE. I don't think you could make it work. I have 7,000 bushels of corn, for instance, on my place. My neighbor has 500 hogs and he has only 30 acres of corn and half belongs to the landlord. What will stop him from taking 2 or 3 truckloads of corn from my place? We don't have to go to any scale or anything. I will give you a further example of that. When you get full Government control, we have interests in Canada. Up there you have full Government control. You have to sell every bushel of wheat to the Canadian Government.

Right today my wife's niece came down to work in Cincinnati to earn enough money to pay the fuel bill because they can't sell the wheat. They still have 1953 wheat to sell. Then we come along and we say, "These foreign countries are starving and we should give them a lot of wheat," and Canada says, "You can't give those people wheat."

They are our customers. We are selling it to them. You can't give it to them. It is impossible to give away surpluses. I was in Kansas City in a meeting down there, and I think it is Mr. Les Wheeler who sits right here in Washington and has been in this setup for years and years. He explained it to me that we had some rice and he was going to ship it to the Malaya States and was going to give to them. Burma said you can't deliver that rice there. They are our customers.

Your are ruining our trade.

My point is this: That all these corn bins and so on and so forth that grain in that bin is worthless until we convert it to something that the consumer will take and carry away and you will never see it again.

We take grain out of our bins and we deliver it to a commodity credit bin and it is taken out of their bin and handled again. It goes to Des Moines to the grain dealers and they handle it, and then it goes to Chicago and then we load it in a boat and who knows where it goes?

It adds expense and the Government has to pay the bill. The taxpayers are even getting sick and tired of it.

The farmers are at fault. Our public relations are practically nil. I have a brother-in-law and relations that work in different businesses, one happens to be an engineer. He doesn't buy a lead pencil or paper he uses. But he says them old farmers are rich cry babies that's all.

Mr. ANDRESEN. I'm sorry I have to leave here in about a half hour. But I would like to get your recommendations clear.

You are recommending 56 million plus acres of land as the base acreage in the commercial corn area?

Mr. WIESE. Yes, times a 20 percent soil bank cut, don't forget that.

Mr. ANDRESEN. Put 20 percent in soil bank?

Mr. WIESE. Yes.

Mr. ANDRESEN. That is one of your first.

Mr. WIESE. Yes.

Mr. ANDRESEN. You are recommending a change in the support price.

Mr. WIESE. Yes, only up to a certain level.

Mr. ANDRESEN. Are you satisfied with the minimum support price of not less than 75 percent of parity?

Mr. WIESE. We don't get the participation. Then it won't do us any good.

Mr. ANDRESEN. What do you recommend it to be 80 percent or 90 percent?

Mr. WIESE. We would like 90 percent and everybody would get in. I don't care whether it is 90 percent or 87 and a half as we had last year. What difference does it make?

Mr. ANDRESEN. That was all right if they have it the same as last year.

Mr. WIESE. No they had it at a dollar and 86—I don't remember which; 99 or 88 or something was the figure. I don't want to back off that because this will make it flexible and in 3 years' time the market—I am talking about the supply and demand market the market that you have to deal with to sell your stuff at and the Government has to finally dispose of its commodities, the market will surpass the support and you will get completely out of the thing. The Government won't have to foot the bill. They can get out from under this load. When you get to that stage you either stretch out the acreage or you can raise the bushels or you can do a combination of different things. Then you actually have control over the crop and you get participation because the man who is on the outside—now I have a neighbor up there, he isn't exactly a neighbor, he lives in Webster City.

He is a retired chemical engineer from the Du Pont people. They have about 1,300 to 1,400 acres. The lawyer is in Indiana. They came up there and said, you are a tenant. You have cows, no livestock, no cows, no nothing, and plowed the whole thing into corn every year and they dumped carloads of fertilizer on.

He says you silly nuts, why don't you get on the gravy train? Uncle Sam gets saddled with the grain that we as cooperators put in there, and you can't get rid of it. Isn't that what happens today?

Mr. ANDRESEN. I am familiar with your country. I used to live in Wright County. Eagle Grove.

Mr. WIESE. That is good territory. We built a great big side-beam plant.

Mr. NEEL HILL. You will have Mr. Andresen going back there and start to raise more corn.

Mr. WIESE. Come down, it is wide open. You can help yourself. All you need is the cash.

Mr. ANDRESEN. I would like to get cleared up about your recommendations; that is what we are interested in.

While the committee does not have before it a bill on the soil-bank payments, I think it is quite clear that you are recommending changes in the soil bank with reference to the payments on corn acreage.

Mr. WIESE. Would you repeat that, sir?

Mr. ANDRESEN. You have made certain recommendations about taking the county average for corn.

Mr. WIESE. Yes.

Mr. ANDRESEN. When we get into amending the soil bank?

Mr. WIESE. Yes.

Mr. ANDRESEN. Do you have any other specific recommendations?

Mr. WIESE. Yes; 20 percent of that farm of tillable acres in grass. Then you, if you have any other crops that has support on it, you have to only get paid on an average for that.

Mr. ANDRESEN. O. K.

Mr. WIESE. Now, we will only pay you on reserve acres, on the acres that come under your main crop. In our case it will be corn. Do you know in the South it will be cotton, in your country it will be wheat.

Mr. ANDRESEN. Mine is corn, soybeans. Where I live in Minnesota now.

Mr. WIESE. What town?

Mr. ANDRESEN. Red Wing.

Mr. WIESE. Ain't a bad territory. I used to own a farm at Riceville not too far from your place. We know when Brother Benson was out in Iowa last year on that drought inspection tour the first of June I met him down at Ralph Harding's farm, south of Indianola. He was scratching in the ground and the corn had not sprouted on that place. You saw the picture. We were told that you could plant grain sorghum. A lot did. We take the corn acres out of production and then we plant grain sorghum, which is a substitute of corn. Just because it is a little different and we have to have different Government buildings to put it in eventually, one is a substitute for the other and corn at least has a few commercial things, industrial uses. Where is that grain sorghum? There isn't so many and that grain sorghum can really deteriorate. I helped to raise some for my dad in Nebraska 30 years ago out in Mr. Harrison's territory.

Mr. ANDRESEN. I wasn't trying to get into an argument with you. I was trying to find out your final recommendations.

We have two other witnesses to hear this morning and I wanted to get your specific recommendations, because our time is going here.

Mr. WIESE. Do you understand how we get the soil-bank check?

Mr. ANDRESEN. Yes; I understand that.

Mr. WIESE. All you have to do is apply that same formula to the entire crop and all commodities down the line.

Now, if we tell this cottonman down there; Look, you are going to get in on this cotton base. I was down in Mississippi, in Abernethy's territory, I was down in Louisiana. I was on that Delta Pinelands cotton plantation, the biggest one in the world. How about the Hercules outfit down there? They can raise 3 bales an acre.

Pinelands has everything leveled over and they are ready to irrigate because they will get the support and we will get so much more and we have total supports and the warehouses are filling up and the synthetics are taking some of the markets away from the cotton-like

grain sorghum has also taken it away from corn and barley and other feed grains like that.

If you apply that same formula to cotton, they would have some free cotton that they could recapture the world market with.

They could sell some and would be in competition with the synthetics. At the same time we could expand the tillable, the allotted acres which is what everybody wants.

We want more allotted acres; everybody is hollering for more allotted acres instead of less.

The market would catch up with this thing in 3 years' time and right there it is.

Now some people operate under the fallacy that once we get rid of our surpluses or, so to speak, throw everything out of the window that will solve the problem. For one thing I want to find out from somebody—and nobody has been able to answer my question yet—why is it so important that the farmer take a pay cut, which is what it amounts to and then that will solve everything.

I will tell you one other thing.

Mr. POAGE. Mr. Wiese, may I ask you this without any intention of interrupting you or anything? We do have other witnesses. I want to get and have an idea of how much longer it will take you. I don't want to cut you off. But we want to anticipate what other people can do.

Mr. WIESE. I'm sorry; I'm not an educated man and I haven't got any scholastic attainments.

Mr. POAGE. We are not finding any fault. I want to anticipate whether these gentlemen will be heard this morning.

Mr. WIESE. I am afraid that I will have to use this time yet, sir.

Mr. POAGE. All right. I want to say to these gentlemen we will probably not call you this morning.

Mr. WIESE. I would like to have this committee perhaps bear with me, because nowadays we operate this modern equipment and you are driving along all the time and the tractors are roaring and we are getting kind of half-deaf and I probably talk quite a bit louder than most people do. I don't mean to be rude or harsh or anything of the kind in this.

Mr. POAGE. I say I am a little deaf and I would like the witness to talk loud enough so I can hear him.

Mr. WIESE. Then we are in agreement there. So to speak we will throw everything out of the window and to be sure there will be some drastic changes, insofar as the support is concerned, the supply is concerned, it would be a little while before we would have surpluses again.

We have drugs and technological end is not finished. We wouldn't want to quit and if we could we wouldn't do it. When he plants a crop he wants to raise the biggest crop he can.

Now I want to tell you this. If we go back a generation our farmers they farmed with horses and mules. I am not advocating going back to horses and mules. I would go on with OPA first. But every time our father's beastie Maud or Queenie foaled a colt, father had a new engine. His boys and girls filled the barns with hay and the bins were filled with oats and that was his fuel. He consumed a fourth of his production in order to produce the crop that he was going

to sell. Today is totally mechanized and he consumes nothing he produces.

In our case we spend \$1,750 to \$2,000 for gas, oil, and repairs to say nothing of the depreciation on the tractor alone and obsolescence, and so forth. So on the market goes \$1,750 worth of stuff to pay the bill. We are already robbing our demand market, we are already robbing it of \$1,750 worth of crops to pay the bill.

Inasmuch as we don't use this, we don't consume this amount, we actually absorb twice as much. The market must absorb \$3,500 worth of produce to get us on the same even keel again.

If we consumed as our forefathers did it would reduce the surplus by that amount. And you can't stop progress nor would we if we could, but agriculture needs some new crops; so we could burn up in our tractors just like our horses ate it up.

Under the soil-bank setup and I approached Mr. Benson to this back at the Ralph Harding farm in Indianola and we had a minimum then of a 5-acre soil bank.

If you didn't have 5 acres in the soil bank, you could not get in it. Why don't we take that 5-acre soil bank and you have right here in Washington Dr. Mossman who has 25,000 varieties of different seeds and plants and pass them out there and let him plant it?

Maybe on that you can find another crop like soybeans or something else that won't glut the market.

Maybe we can burn it up in our machinery and we could take those acres out of production and this man would have income out of that.

We say supply the truth to the limit, remove agriculture from the political football arena. We have differences of opinion and so forth and one area is this and another area is this.

I hate to see one farmer against another or a group against another or a livestock man against a grainman.

I will give you another example. In 1890 McCormick and the Deering people used to sell binders in our town. They had a representative in our town for years until 1916 the International Harvester Co. took the thing over and it became the International Harvester Co.

They used to sell about 60 or 70 tractors a year in this little town of Jewell. The last year the owner of the business passed away but International Harvester didn't see fit to put another dealer in it.

So at the present time there is a bowling alley in the place. Right today I had to take my tractor to a John Deering, and they are overhauling my International Harvester tractor. That is fine. We can get our work out on that.

Mr. G. L. McCaffrey, chairman of the board of the International Harvester Co., isn't so stupid as to lose that business as it were if he didn't believe that the way things are the way it is the farmers will have to patch their stuff together.

We will not be able to sell much anyway. In the corn belt there are implement dealers going broke all around.

Mr. POAGE. Most of the members of this committee agree if we continue to let farm prices stay where they are for a while we will have another depression like we had in 1929.

I think all the cases and indications are bearing right for it. We have a roaring stock market.

Mr. WIESE. Right, I agree with you.

Mr. POAGE. Wild prosperity in the cities and poverty in our rural areas and that is what we had in the twenties, and we will have the same results.

Mr. GATHINGS. Could I interrupt you just a moment, sir?

I don't want to break your chain of thought. Did I understand on page 10 in 400-acre farm, is that your farm?

Mr. WIESE. Yes.

Mr. GATHINGS. I wonder if you would give us the figures on your 1956 operations on that farm?

Mr. POAGE. He told us a while ago there in answer to questions that with that, in answer to questions that were asked while you were in the other committee that he had a deal on it and he didn't want to give us the figures at this time.

He has a personal business transaction on it.

Mr. WIESE. If you don't mind, sir, I am sorry.

Mr. GATHINGS. Go right ahead.

Mr. WIESE. I did say if you weren't here then that we we can expect the 75 minimum to 90 percent participation depending on how soon the producers can study the proposal before planting time. And as any high-school kid can figure the thing out, I don't understand what is so complicated about it.

I am not, however, now in a position to express myself properly. I can only blame myself.

The market would be \$1.10 to \$1.25 at harvest time and then sharply higher. Up to \$1.50 because we have a lot of surplus corn here and that is where that will stop until that surplus corn is worked off.

Within 3 years the market will have passed supports and allotments will be increased, isn't that what we want to get, more acres?

This will be a true floor under all agriculture if the soil-bank principle is applied to all the supported crops. We need ever more research—well in the first place you have to use the forces that motivate human nature, that is the pocketbook.

We understand that. We have to have more research, new crops, new industrial uses for the products, cooperative marketing and farmer-owned plants wherein he can contribute some of the labor in the processing and packaging of his products.

We are doing that with turkeys, having that, Hamilton County is third in production of turkeys in all the United States.

We were forced by the market conditions to build a plant. We had to dress the turkeys on a New York dressed basis and then we had to go to a viscerated base.

Now we are building another \$200,000 plant and we are going to make turkey rolls and packages and because that is the way we will dispose of our products.

You have to promote the farms in the hands of the young operators. I told you just what the gentleman from Illinois, the car deal I told him what is happening today and why the farms are going and why the prices are going up and neither of these boys can buy a farm.

There is no tenant farmer unless he can inherit a place can ever hope to live long enough to accumulate enough to buy a farm that costs \$350 an acre.

Maybe in Texas it is different or other places but in our territory it certainly can't be done.

It may grow in size but there will always be small family farms and you have to play them to find new crops that farmers can consume in the production of the basics before brain trusters make further attempts to blow them under the ground.

Everybody thinks the small farmer is a pain in the neck. We ought to blow him under the submarginal but that is not the guy that fills up the bins.

The big operator with the big equipment fills it up because his overhead cost is much less than a little fellow. He can outbid him and he can get unlimited capital from the bank where the little man can't.

I don't want to put a damper, a brake or anything or ceiling on and say you are too big, let's quit. Suppose we put a ceiling on Henry Ford. You wouldn't have any cheap cars.

I want to be able to have the ambition, to go ahead and if I want to work my head off I want to be able to get that 400-acre farm.

I want to buy that some day if I can. That is everybody's ambition. Now, not discouraging but the age-old maxim the rich get richer, the poor pay the freight and have children.

If you will notice this cartoon on the front, a farmer out in our country drew this cartoon.

Take a look at it. You notice that chicken down on there, that chicken is looking at a 2-cent egg. Right today there are eggs being shipped from Fort Dodge, Mr. Andresen wasn't very far from there, being shipped right in here to Washington and that farmer up there he gets about 23 cents a dozen for eggs now or 24, something like that and that fellow that goes up with his pickup truck and picks up those eggs, he gets 7 cents a dozen, he grades them and he furnishes a case and does all the labor and everything and for 5 cents a dozen we deliver them right down to the store door delivery.

A. and P. store gets them delivered for 35 cents a dozen at seaboard, that includes Boston, New York, Norfolk, Washington, Baltimore, Jacksonville, and Miami for 35 cents. That is 5 cents and 7 cents. It is 12 cents and 24 cents, it is 36 cents and the eggs right here sell for about 75 cents a dozen. What is the trouble?

Look at all that spread. You have a little newspaper clipping here says:

The amount of 1956 corn being placed under price support in Iowa has been showing a sharp increase recently and by January 15 had reached 58 million bushels.

Max Soeth, chairman of the Iowa Agricultural Stabilization and Conservation Committee, estimated Friday that the final total would equal or exceed the 123 million bushels placed under loan of more than 38 million bushels while the loans at 25 percent less for those not in compliance total around 20 million bushels.

What I was going to say is we gave you the figures on the commercial corn area and if you understand that soil-bank formula and apply that to all the crops and you take in that whole thing.

Mr. POAGE. You mean by that you don't want to simply pass a bill that would involve 56 million acres but rather that you would pass a bill that would extend the same treatment to corn wherever it was grown.

Mr. WIESE. Yes.

Mr. POAGE. And then you would want to include some kind of provision to at least control the production of feed grains other than corn.

Mr. WIESE. Yes, sir.

Mr. POAGE. If you don't, do you agree that you can't control your corn markets?

Mr. WIESE. We cannot control the corn market if the other feed grains are just wide open and run hog wild.

Mr. POAGE. Now will you go with me one step further and would you agree, whatever we give corn, the privilege of greatly increasing their allotment and receiving pay for reduction that you should extend the same kind of privilege to the other basic crops?

What I mean is this: Corn has taken, if you put it at 51 million acres you get about a 12-percent cut for corn, don't you?

Mr. WIESE. That is what they estimate. But you don't get it.

Mr. POAGE. If you get it you get a 12-percent cut, don't you?

Mr. WIESE. All right, if—I will go with that, Mr. Poage.

Mr. POAGE. We in cotton have already taken a 35-percent cut.

Out in Mr. Hill's area in wheat they have already taken a 35-percent cut. Would you agree that the wheat and the cotton men and all other basic producers should have the right to get into the soil bank at the same figure that Corn Belt has?

I mean by taking the same percentage cut.

Mr. WIESE. I will tell you one other thing that you have to consider. You cannot feed cotton to a hog. I haven't seen that done.

Mr. POAGE. And you can't clothe people from corn.

Mr. WIESE. I agree I can't wear that hog for a coat; no, sir.

You haven't anybody planting free cotton.

Mr. POAGE. We have complied, corn hasn't, that is the difference.

Mr. WIESE. Right.

Mr. POAGE. Now then would you say to us that because we have complied that you would not extend to cotton and to wheat the same opportunity to put land into the soil bank after having taken the same percentage cut that corn takes and whatever you want other than that to take in corn. I am not kicking. If you suggest 56 million, which is but a 10-percent cut, not that much.

Mr. WIESE. Twenty-percent cut. I am going to take a 20-percent cut.

Mr. POAGE. You will take a 20-percent cut but you want soil-bank payments?

Mr. WIESE. Yes.

Mr. POAGE. But we have taken a 35-percent cut with no pay.

Mr. WIESE. I will go along with you on that. We will raise your cotton acres whatever the average was for these 12 years.

Mr. POAGE. All right.

Mr. WIESE. Whatever it was.

Mr. POAGE. It was about 26 million.

Mr. WIESE. Just what acreage do they want? Some talk 13 million. I don't know anything about cotton. I don't want to criticize the cotton people. If they can make money I am for them. What is the base acreage, or what acreage do you want?

Mr. POAGE. It is 17,500,000 acres fixed by law now.

Mr. WIESE. Seventeen million you say?

Mr. POAGE. Yes. Suppose we give you a fixed minimum which won't take you down any further than the law has already taken cotton and wheat down, and then say each of us can begin drawing soil-bank payments at exactly the same point.

You fix the point and you fix the rate. Would you buy that?

Mr. NEEL HILL. Mr. Chairman?

Mr. POAGE. Yes.

Mr. NEEL HILL. What is the normal acres in cotton that is actually needed?

Mr. POAGE. What is the normal acres and what is actually needed?

Mr. NEEL HILL. Yes; world trade and consumption.

Mr. POAGE. We have grown as high as 44 million acres of cotton if you mean what have we grown in the past. Just before we had allotments we had 26 million acres of cotton. We are growing 17,500,000 now, and it is certainly adequate.

Mr. NEEL HILL. I am going along with cotton.

Mr. WIESE. I don't want to embarrass the cotton people.

Mr. POAGE. Will you give us the same treatment that we ask for corn? That is all I ask.

Mr. WIESE. Just a minute.

Mr. POAGE. Give me a yes or no answer on that, and then explain it any way you want to.

Mr. WIESE. Yes; I think I will go along with you. Just a second. I have these figures out of the Department on this.

Mr. POAGE. I am not asking for any figures. I am asking you, Will you accord to cotton and wheat and to the other basics, small as peanuts are, including peanuts, would you accord the same opportunity to them to put land in the soil bank that you ask for corn?

Mr. WIESE. On the same basis that we want your cotton support to be on that soil-bank formula, we want the wheat on the soil-bank formula.

Mr. POAGE. We are not talking about the amount, we are talking about the point at which we can place it in the soil bank. We can't place cotton in the soil bank today until after we have taken a 35-percent cut in our average production.

You can place corn in the soil bank when you have taken a 12-percent cut. All we are asking is that you let us go into the soil bank at the same point, wherever it is, I don't care whether it is 12, 20, 25, or 35, but we will take any cut you take, but will you agree to go along with us at whatever point you put corn?

Mr. WIESE. Could I explain it?

Mr. POAGE. No, sir, you cannot explain it. Can you answer me?

Mr. WIESE. Yes; I will go along with you.

Mr. POAGE. All right. Do your colleagues agree?

Mr. PETTY. Yes; absolutely.

Mr. NEEL HILL. Mr. Chairman—

Mr. WIESE. Let me finish this; will you please?

Mr. POAGE. I am not asking for an explanation, because it is 12 o'clock. I want in this record whether you are willing to accord the cotton, the wheat, the tobacco, to rice, to peanuts the same treatment you ask for corn?

Mr. WIESE. Yes. Are you going to take this land out and put it in the soil bank, and if the corn people go along with that, are we going to get the feed grains in your territory; will that come under this, too?

Mr. POAGE. Every acre you take out and put in the soil bank has to be eliminated from the feed-grain proposition in this respect.

Mr. WIESE. Right.

Mr. POAGE. We have gone out of cotton and wheat and we have planted feed grain in that land. If we put it in the soil bank we can't plant feed grains on it.

Mr. WIESE. No; but you have extra ground. Your whole farm is in the cotton. There are some in feed grains.

Mr. POAGE. We ask for the same regulations that are imposed on the corn man.

Mr. WIESE. I go with you——

Mr. POAGE. Listen Mr. Wiese.

Mr. WIESE. Yes, sir.

Mr. POAGE. When you take corn out—you know you haven't been taking corn out as a matter of fact. Even when you do take corn out, there is nothing in the world in the present regulations that says if you have a 50-acre corn allotment and you want to take some of that out and put it in the soil bank——

Mr. WIESE. Yes.

Mr. POAGE. That would keep you from going to feed grains and growing them.

Mr. WIESE. That's exactly it.

Mr. POAGE. Except that you can't grow them on the land that you have taken out and put in the soil bank.

Mr. WIESE. Right.

Mr. POAGE. We want every restriction imposed on us that you want imposed on corn.

Mr. WIESE. O. K.

Mr. POAGE. We also want no more; we are willing to take no more. We are willing to take exactly what you give corn.

Mr. WIESE. O. K. How about the other acres that you have on the place that are not in the soil bank?

Mr. POAGE. We are willing to go on exactly the same regulations as the man who grows corn, because you can grow oats on land that is not allotted acreage. We claim the same privilege for ourselves. We will go just as far as you go, and we won't go 1 inch further.

Mr. WIESE. Amen.

Mr. POAGE. It is 12 o'clock. The committee will adjourn. The committee will meet at 10 o'clock in the morning.

(Whereupon, at 12 o'clock noon, the committee adjourned, to reconvene at 10 a. m. Friday, February 8, 1957.)

ACREAGE RESERVE ALLOTMENTS FOR CORN

FRIDAY, FEBRUARY 8, 1957

HOUSE OF REPRESENTATIVES,
COMMITTEE ON AGRICULTURE,
Washington, D. C.

The committee met, pursuant to recess, at 10:30 a. m., in room 1310, New House Office Building, Hon. W. R. Poage presiding.

Mr. POAGE. The committee will come to order.

We have Congressman Mahon from the 19th District of Texas. I believe he has one of his constituents and one of Congressman Rogers' constituents with him this morning.

Do you want to make the speech together or will Mr. Mahon introduce the witnesses?

STATEMENT OF HON. GEORGE H. MAHON, A REPRESENTATIVE IN CONGRESS FROM THE 19TH CONGRESSIONAL DISTRICT OF THE STATE OF TEXAS

Mr. MAHON. Mr. Chairman, I would like to make just a few preliminary remarks.

Mr. POAGE. We will be glad to hear from you, Mr. Mahon.

Mr. MAHON. And then I would like to introduce these witnesses because they can talk as experts insofar as the actual operation in the field is concerned.

The two men involved here are Mr. R. G. Peeler, of Hereford, Tex., who lives in the district of Congressman Walter Rogers, and Mr. Frank Moore, of Plainview, Tex., who lives in my district.

Mr. Peeler is president of the Grain Sorghum Producers Association. Mr. Moore is one of the leading members of that organization and a former official in it.

Mr. HARRISON. What organization is it?

Mr. MAHON. The grain-sorghum producers organization which they have organized in order to get the views and to represent the views of the grain-sorghum producers of this wide area.

The congressional district which I undertake to represent is a heavy cotton and grain-sorghum producing district. We had a terrific drought last year, a continuation of previous years, but we are fortunate to have, at least for the time being, and we are sure for several years, underground water.

So regardless of drought the irrigation farmer may grow a crop of sorghum.

Grain sorghum as a crop represents about 200 to 250 million bushels of the feed grains produced in the Nation.

The dry-land farmer last year made practically no grain sorghum—in a few areas he did—but generally he just had a complete failure. So he made nothing, generally speaking, out of grain sorghum by way of income.

The farmer was granted a loan of 76 percent of parity on his grain sorghum by reason of action taken by the Congress last year in the soil-bank bill, I believe.

Well, that made the difference between a little profit and no profit as compared to the support program which had previously been announced last year of 70 percent.

Of course, there was no control program on grain sorghum last year. These gentlemen can discuss with you the business of controls, versus no controls.

But I feel that you cannot pass a corn bill or any feed-grain bill without taking into consideration the vast array of grain sorghums produced. When you put together grain sorghums and oats and barley and rye and then you tie on soybeans, because to some extent they are in this field, of course, you have a vast production of feed grains which does not equal corn but it approaches corn in the amount, in the quantity of the feed produced.

So my hope is that somehow or other this committee can take into consideration grain sorghum and enable us to have a proper relationship to corn, and enable the grain-sorghum producer to get a support price or a price in the market place which will make it reasonably profitable for a frugal and industrious farmer to make some profit out of his operation.

That is just about the picture as I see it.

Grain sorghum did not go into the loan last year, generally speaking, because the support level, even at 76 percent, was relatively low compared to corn or other feed grains, and so grain sorghum sold, instead of going into the loan.

These gentlemen who are with me have the figures. And I don't know the exact answer. And I didn't come over here in the capacity as adviser to the committee—I come as a man who represents a vast grain sorghum producing area, asking you in your wisdom, in working out the relationship between these various feed grains not to forget us.

I would like now, if I may, to present Mr. R. G. Peeler, the president of this Grain Sorghum Producers Association.

Mr. POAGE. We are delighted to have you.

Mr. MAHON. And Mr. Moore.

Mr. SIMPSON. We are under the impression here that we are operating on an emergency. Does the gentleman contend that grain sorghum and feed grains should take the same position as corn which is a basic commodity?

Mr. MAHON. Of course, corn is a basic commodity and grain sorghum is not. The truth is that I believe all tests by agricultural colleges and experiment stations show that the feed value of corn and of grain sorghum is practically identical.

Of course, many of our people who are regular producers—and I may underline the word “regular”—are fairly heavy producers of grain sorghum and would probably be interested in its being a basic crop, therefore, subjecting themselves to quotas, and so forth.

But there are many types of grain sorghum producers, and I am not prepared to speak very well with respect to all of them. I rather

believe a very large number of them would be glad to accept grain sorghum as a basic crop, but I expect that this committee is not considering that problem now.

Mr. SIMPSON. Grain sorghum, they raise it in my area.

Mr. MAHON. Yes.

Mr. SIMPSON. And it is beginning to take the place of corn in certain areas.

Mr. MAHON. And it will take the place of corn to a greater extent if this disparity of relationship continues.

Mr. SIMPSON. The only point that I am raising is if I understand the picture, grain sorghum was supported at 70 percent last year.

Mr. MAHON. 76.

Mr. SIMPSON. The same as corn in noncompliance. Should we in emergency farm legislation when 61 percent of the corn farmers voted for 51-million-acre base, should we go that far afield on this emergency legislation?

That is the only question I am interested in.

Mr. MAHON. We had the 76 percent support last year but it can be supported this year at anywhere from nothing to 90 percent. And we just don't want to get hurt in this operation. That is my feeling.

Mr. SIMPSON. So far as I am concerned, you won't get hurt, so far as I am concerned as a member of this committee.

Mr. MAHON. I think that is very important.

Thank you.

I think Mr. Peeler here has a prepared statement which isn't very long. And I point out to the committee that grain sorghum is becoming an increasingly more important crop because of the hybrid strains, and so forth, and the adaptation of the crop to many other areas throughout the Nation.

Mr. POAGE. Thank you, Mr. Mahon. We will be glad to have you sit with us. We will be glad to hear from Mr. Peeler now.

**STATEMENT OF R. J. PEELER, HEREFORD, TEX., ACCOMPANIED BY
FRANK MOORE, PLAINVIEW, TEX.**

Mr. PEELER. Thank you, Mr. Chairman. We have briefed this down to 2 pages so it is not elaborate. And I will read it hurriedly and then if you have any questions why I will be glad to discuss it.

Mr. Chairman, I appreciate very much the Agriculture Committee giving me the time to express my views and also the views of the Grain Sorghum Producers Association.

It is my belief that the present oversupply of corn has been brought about by several different conditions. Of course, one of the main problems which has helped to bring the oversupply of corn has been caused by the diverted land from other basic crops going into the production of feed grains and noncommercial corn.

This overproduction of corn and feed grains during the past several years has been one of the principal reasons for the unstable livestock problem. So long as we continue to plant approximately 80 million acres of feed grains and soybeans without any controls and at a considerably reduced support price than that of commercial corn, we will continue to have a bad livestock economy.

Another cause for this overproduction of feed has also been brought about by fertilizing and the planting of hybrids.

It is my opinion that each farmer in this country should make an individual contribution to alleviate this surplus, by contributing approximately 10 to 15 percent of his price-supported acreage free to the soil bank.

Make him eligible for soil-bank payments for the various crops at a realistic figure, as compared to the present preferential treatment of basic crops.

The majority of farmers of this Nation should be willing to contribute to the free soil bank if they were assured of a support price of not less than 80 percent of parity for their various crops, taking into consideration the ratio of feed grains to the feed value of corn. This would make it possible for all commercial corn, noncommercial corn, and feed grains to be figured on the same parity basis.

To insure a larger participation, I believe a 30-percent penalty should be invoked against any farmer failing to contribute his share to the soil-bank program. We believe that a program of this type would soon reduce the surplus feeds which we now have in storage, would stimulate livestock, as cheap grain invariably results in cheap livestock. This program would tend to alleviate the present broad discrepancies in the price of comparable livestock feed.

After the surplus has been reduced, the only part that the support price would play would be to insure orderly marketing of farm commodities.

Soybeans have enjoyed an unbelievable period of prosperity the last few years, due to the reduction of cottonseed. However, soybeans are being planted more extensively over the United States, and it is hard for me to believe that soybeans have reached their maximum production.

For the benefit of future generations, this soil-bank acreage should be summer fallowed and legume planted in order to build up the fertility of the land. Due to the uncertainty of world affairs, the Government should continue to maintain a reasonable emergency stock of all agricultural products.

There is no doubt that should a drought occur in our Midwestern States as severe as the one which we are now witnessing in the southwestern part of the United States, our food supply would soon vanish.

For the good of the future, let's make this legislation broad enough to insure enough overall participation in the various feed crops so that the soil bank will achieve its desired role—that of reducing the surplus of corn.

It is my belief that the farm program should be designed to balance the various segments of the agricultural picture. Because of geographical differences, differences in the weather, differences in economic conditions, and so forth.

However, as the matter now stands, such a balance cannot be worked out insofar as feed grains are concerned, either under the present law or the bill now before the committee.

In order to accomplish the desired result it is essential, in my opinion, that there be a definite and fixed relationship between corn in commercial areas, corn in noncommercial areas, grain sorghum, and other feed grains.

Unless such a relationship is worked out, any relief that corn gets from this legislation or support prices generally will be only temporary

and nothing more than a postponement of the fatal day that eventually must be faced.

We in the grain sorghum field want to cooperate with everybody on a fair and equal basis to maintain a stable feed-grain and livestock business.

Mr. POAGE. Mr. Peeler, we are very much obliged to you for that statement. It is a very sound, forward-looking statement.

Are there questions of Mr. Peeler?

Mr. ANDRESEN. You have mentioned cooperation among the commodity producers. And you also referred to fertilization, the use of hybrid seed, and mechanization you mentioned also.

What do you think the prospects are to get 100-percent cooperation from the producers to carry out these programs?

Mr. PEELER. Well, it is my contention that it is possible to achieve—I wouldn't say 100 percent, but a relatively high percent if we would support this.

I am not asking for 90 percent, but from 75 to 80 percent, 80 percent preferably. Then the boys, by this reduction, they would decrease their surplus, they would get their commodities in a position where they would sell and they would not be going into this loan.

And really the support price would not be what the farmers would be producing for, to sell it to the Government.

This reduction would make it possible so that the commodities would go into free trade. I think the individual farmers would be willing to do this.

There is another long-term provision on this thing. If we could get our production balanced, then it might be possible that we could take these basic crops 2 or 3 years down the line and say we would let a man plant 10 percent more cotton or more corn this year than his basic and try to get to the point to let each individual farmer plant what his land is suited for.

That is a long-sided objective that I did not bring out because I know that you gentlemen are working on emergency legislation here, trying to keep it as short as possible, and I tried to keep it as short as I could.

Mr. ANDRESEN. You then feel that by placing a minimum support price of 80 percent on corn and competitive feed grains that that would help solve the problem and secure cooperation?

Mr. PEELER. I sure do.

Mr. ANDRESEN. That is all, Mr. Chairman.

Mr. POAGE. Thank you.

Mr. Hoeven.

Mr. HOEVEN. In your prepared statement you say that in order to secure a larger participation you believe a 30-percent penalty should be invoked, if any farmer fails to contribute his share to the soil-bank program.

I imagine that is the only logical approach if you want to get full participation. But you know the national reaction against controls.

It is my impression that when we try to impose controls we get into a lot of difficulty. Will you get any sizable participation without invoking any penalty?

Mr. PEELER. Well, it is my thinking that at the present time a person can overproduce wheat or he can overproduce cotton.

Cotton, I think, is around 17 cents a pound penalty and wheat is on a kind of complicated deal worked out on the county basis.

But the individual farmer can overplant and pay this penalty. But for most of the farmers it is unprofitable to do so. So you do not have many that are not complying with their allotment.

I believe this 30 percent would be enough to take care of approximately every farmer, that he would want to stay within his allotment rather than take the 30-percent penalty.

It would not be, so to speak, compulsory.

MR. POAGE. On that point, Mr. Peeler, would it not depend somewhat upon what you paid them? Wouldn't that have the same ban upon your participation as the penalty?

Like Mr. Hoeven, I would much rather catch the fly with sugar, if I could, than with vinegar.

MR. HOEVEN. In other words, we are agreed that in order to get the farmer to participate in the soil bank we must offer him an attractive program?

MR. PEELER. That is right.

MR. POAGE. Do you think that a flat payment of \$15 an acre for feed crops, that is for placing a portion in the soil bank, would attract substantial participation, among feed-grain growers?

MR. PEELER. I sure think it would help a lot outside of possibly the irrigated districts where we are.

MR. POAGE. Of course, where you can grow what you can on irrigated land you would not put it in for any \$15 an acre?

MR. PEELER. That is right.

MR. POAGE. I understand that, but your irrigated area probably produces what, a third of all of the grain sorghums?

MR. PEELER. Yes; in the United States, I imagine.

MR. POAGE. I would imagine so. And that would leave two-thirds of it grown on dry land. Something on the order of \$15 an acre would attract that dry land, wouldn't it?

MR. PEELER. I think it would.

MR. POAGE. Probably you would not participate. If there were nothing else involved, the dryland man probably would. Wouldn't you suggest or do you think it would be reasonable to suggest that feed-grain growers should be required to take as much as 15-percent cut from his base acreage?

Let us assume the base acreage for the last several years. Take a 15-percent cut from that, without any compensation, and that then if he wanted to put in an additional 15 percent, that he would get—and I am using merely an arbitrary figure because it is so much easier than to figure it out for all of the different grains—it would come out to something like \$15 an acre, after taking 15 percent for which he receives no pay and then a 15-percent cut which he would be allowed to put it in the soil bank which is substantially what is proposed for corn and for other crops, that it would secure any substantial participation.

MR. PEELER. I think it would secure a large participation. Like it is now, the feed-grain producer, there is no chance hardly for him to get into the soil bank if his land is productive because there is one thing, there is a lot of land that is controlled by landholders and if he gets \$8 or \$9 an acre, he will not let the tenant put his land in and

have it tied up in a 3-year program where he will only get \$2 or \$3 a year—you might say enough to pay the taxes. He would rather go ahead and take a chance on it.

Another thing, the farmer with what little he can get out of the \$8 or \$9 an acre, there is not enough for him to buy a lot. But I believe if you would be realistic and pay the feed-grain producer a realistic figure in proportion to what their land, so to speak, produces, then I think they would be willing to contribute 15 percent free and then put some other land in the soil bank. That would be voluntary if they could get a realistic guaranteed support price on that.

Mr. POAGE. While we are talking of the practical working of the plan, would you think it would be better to attempt to work out the details of individual acreages on the different feed crops? You are interested primarily in grain sorghums. But there is barley and oats and soybeans and rye. And corn is, in the noncommercial, and the wheat on 15-acre patches are involved.

Would you think it would be more practical to try to work out an individual history for each of those and a separate rate for each of those or, as a practical matter, would it be simpler just to make a flat payment for the feed grains?

Mr. PEELER. I think due to the complication on it, and since they all are competitive, it would possibly offhand without studying it, I think it would be desirable to make—probably to consider all of the basics, whether they should be noncommercial corn, oats, barley, or rye.

Mr. McINTIRE. Do I understand correctly that your level of supports for the 1956 crop was 76 percent of parity?

Mr. PEELER. That is the transitional parity.

Mr. McINTIRE. Prevailing calculated.

Mr. PEELER. That is the new parity; yes.

Mr. McINTIRE. Do I understand correctly that at that level of support that your grain sorghum moved into the market rather than into loans?

Mr. PEELER. That is correct, a larger percent. Not over 25 percent, I do not believe, according to the best figures I could get on it from the PMA in the various counties before I left. It didn't look like it would exceed 25 percent of them, the grain sorghum that was going to go into loan this year, if it stays like it is, because most of that will come out before the time the loan becomes due, you see.

Mr. McINTIRE. There might be a substantial outlet at approximately that level of price, at least on the 1956 crop?

Mr. PEELER. That is right.

Mr. McINTIRE. If grain sorghum is a commodity which comes under title III of the Agricultural Act of 1948-49, there is no restriction on acreage as it is now handled. Am I correct on that?

Mr. PEELER. That is right.

Mr. McINTIRE. Do I then draw the conclusion that the producers that you represent would rather have the acreage limitation framework placed around the commodity for 80 percent of parity than they would to have, at each particular farm, the management decision on acreage relative to going into the soil bank for 76 percent?

I realize that 76 percent is not a firm figure; but what is the lowest level of support in relation to parity that grain sorghum has been worked at over the past few years? At what lowest figure?

Mr. PEELER. The lowest is 70.

Mr. McINTIRE. The lowest is 70?

Mr. PEELER. That is right.

Mr. McINTIRE. And the highest is this last one?

Mr. PEELER. The highest has been—in 1950 grain sorghum and corn were both the same figures. They were both together in 1950.

Mr. McINTIRE. What level of parity was that?

Mr. PEELER. Ninety.

Mr. McINTIRE. Ninety?

Mr. PEELER. Yes.

Mr. McINTIRE. So, historically administratively it has never gone below 70 and has been up to 90?

Mr. PEELER. That is right.

Mr. McINTIRE. And currently on the 1956 crop it was at 76?

Mr. PEELER. It was set at 70 but the last agricultural bill passed last spring raised it to 76 and it was set by the Secretary of Agriculture at 70 but it was raised to 76.

Mr. McINTIRE. Then just to draw the one conclusion that I was interested to get at, is it the opinion of your farmers, the farmers you represent, that notwithstanding this historical background of 70 percent having been the lowest, and the consideration that you have had no restrictions on the management of your farm in relation to the acreage, that you would much prefer a firm figure of 80 percent and a move into the area of marketing quotas and all of the related vehicles that surround that firm rate?

Mr. PEELER. Well, for 1-year proposition you are right, but it is a long-range deal. We realize that we are planting about 80 million acres of feed grains a year. And if we are going to establish any permanence of stability in feed grains, corn, and livestock, that we all are going to have to establish them together rather than to establish corn here and then your feed-grains crop up and takes the place of it and drags the value of the corn down.

There is something that is kind of funny about the support price. Your support price tends to set the market price for the farmer.

In other words, last year usually the selling price now on grain sorghum is 5, 10, to 15 cents per hundred above the support price, and where your support price happens to fall the ceiling price is just a little above that price.

Mr. McINTIRE. And then there is the further fact, though, which I think the members of this committee have observed in considering these factors, that while support prices do certainly, and I concur with you in relation to that, influence the level of price in the market place, the gross farm income is simply the price times the volume of commodity which is produced.

So it it seems to me that in considering these things was have also to look at the other side of the coin and that price in itself is not the sole consideration because income at the farm is that price multiplied by the volume.

And that volume is controlled in the marketing quota vehicle by acreage. So we are dealing with that same problem.

Our firm objective, of course, is greater farm income, more stable farm income, but stable farm income at a level which permits that farm operator some standards of income, and so forth, comparable to the rest of the economy.

I was interested to know whether or not your farmers feel that you would much prefer to go in the direction of restricted acreage with a higher level of support, or toward greater supervision on management's side, with the acreage being multiplied, perhaps, by a little less stable figure so far as price is concerned.

Mr. PEELER. We figure that you are right. This year that is right. But over a long period of time if we are going to reduce this big carryover of corn and get back to a stable agriculture economy, we will all have to do some contributing and do our share, to make a contribution to this to get this back down to the point where our supply will meet our demand.

As we see it today, we are in the same position as I believe has—someone has expressed here before with that of corn. As the figure has been set for 37 million acres, and the price as it is, the only thing left for the corn growers to do is to go out and not comply, to plant acre to acre, to get as much production at the figures that we are talking about in order to stay on the farm.

So we in the grain sorghum and feed grains figure it about the same way for us. If we can't put this land into the soil bank, at the reduced price that we have to sell it for, the only thing to do is to produce all we can, put all of the fertilizer on it we can, and continue to produce a surplus that is not needed.

Mr. McINTIRE. Thank you.

Mr. POAGE. Mr. Peeler, what you are saying there, if I understand it, is that you recognize that if you reduce the corn acreage very materially, under any kind of a program, soil bank or payments or anything else, it would reduce the corn production and that it would be to your advantage to produce an unlimited amount of grain sorghums, because you would then profit as the result of the reduction of corn.

But you realize that under any sustained program you cannot expect corn to take a great reduction unless you and this man in the noncommercial corn area and the man who is growing oats and barley who supply the feed—that historically was supplied by corn—also take a cut.

And consequently, you have got to attune the whole feed business to the same general policies that are applicable to corn. And that unless you do, everybody is going to go down together, you and corn and barley and oats and all. Is that what you have in mind?

Mr. PEELER. That is right, Mr. Chairman.

I would like to say one thing here: In this area, this irrigated area we have 37,000 irrigation wells in the area and we are now establishing experiment stations to do research on corn, and soybeans, and hybrid grain sorghums mostly in this area. It is paid for by the individual farmers. The Government is not making any contribution. It is strictly a local development out there.

We are raising a lot of soybeans out there now. One of the first things we will do is to do research on soybeans to see if we can't find soybeans that are better adapted to that kind of program.

We have one farmer out there who, one of the FHA boys, last year raised 254 bushels of corn on an acre. So we are getting back to Mr. Hill's 200 bushels corn club that he talked about out there.

So we realize to work our way out of it we will have to put our shoulder against the wheel and do our part, too.

Mr. ANDRESEN. May I ask a question here?

Mr. POAGE. Yes.

Mr. ANDRESEN. Do you favor doing away with designating corn as a basic commodity and putting it on the feed-grain status with grain sorghums and other feeds?

Mr. PEELER. Say that again, Mr. Andresen.

Mr. ANDRESEN. Corn is now a basic commodity like cotton and rice and tobacco and wheat. Do you favor doing away with the classification for corn as a basic commodity?

Mr. PEELER. No, sir. I will say I think all of the feed grains should be classed together as a basic commodity.

Mr. ANDRESEN. Then you would put all of these others in the same basic category as corn is, and give them all the same treatment?

Mr. PEELER. That is right.

Mr. POAGE. Any further questions of Mr. Peeler?

Mr. SMITH. What percent of the land that is planted to sorghums in the dry-land region is summer fallow land?

Mr. PEELER. Mr. Smith, that would be hard to say. It depends on your moisture in the spring and how much moisture that you had to plant on, whether you thought you had enough moisture to think you could make a grain crop this year.

Mr. SMITH. We learned long ago that we have got to go to summer fallow in our wheatland. And they have also been summer fallowing for sorghum in western Kansas. Texas is a great State so far as feed grains are concerned.

Mr. MAHON. I would like to comment on this problem. Generally speaking, grain-sorghum producers in west Texas do not summer fallow land for grain-sorghum use. The average farmer in my area has an allotment of cotton, say, ranging from 25 to 45 percent of his cultivated land.

The general tendency is to plant the rest of that land in grain sorghum. He will plant some of it maybe to pasture or to grass, but generally speaking we are a two-crop country. We summer fallow some wheat but when it comes to grain sorghum I do not know of one case in the area where there has been summer fallowing of the land for grain sorghums.

The margin of profit is so small that people do not feel like it is suitable for the summer fallow process. They just plant all of the land they can't plant in something else in grain sorghums.

Mr. SMITH. My point in bringing that up is, I feel we have got to make a differentiation between summer fallow country, where you plant crops in summer fallow land and use only 50 percent of your tillable acreage and then you get a 30 percent cut on 50 percent, it does not give you much to operate on.

That is why I was asking the questions about western Texas.

Of course, I notice the emphasis you place here was on irrigation. Is the same thing going to be true in New Mexico?

Mr. PEELER. A lot is raised in New Mexico and a lot of dry-land grain sorghum in New Mexico also.

But this apparently that you are speaking of would not that be eligible acreage that you could summer fallow that you are taking out of production?

Mr. SMITH. I don't think it does. Much of the land in Kansas, 28 or 29 percent of the tillable acreage, because of the summer fallow.

Mr. PEELER. That is about what we have in our part of the country, too, in Texas, on wheat.

Mr. POAGE. Are there any further questions?

Mr. JOHNSON. Did I understand you to say that the grain-sorghum people were using irrigated land and would not put any of that into the soil bank?

Mr. PEELER. Not at any \$8 or \$10 an acre. I think they would put it if they could get a realistic figure on it.

Mr. JOHNSON. How would you apply legislation to grain-sorghum people if the people on irrigated land refused to come under it? It would just be the people that are raising grain sorghum, doing dry farming that would come under it. Is that your thought?

Mr. PEELER. No. My thought is that the people on the irrigated land would come under the same as the dry land.

Mr. JOHNSON. I wanted to clear that up.

Mr. PEELER. There would not be any discrepancy.

Mr. JOHNSON. Price was mentioned of \$15 an acre. What about that?

Mr. PEELER. I don't believe it would work on the irrigated land. You would have to raise it probably to a more attractive figure on the irrigated land but it should be based on the productivity of your land, so to speak, like the corn.

I think corn is quite flexible, that is, the corn payments.

Mr. POAGE. Are there any further questions?

Mr. SIMPSON. On the first page of your statement you stated:

We believe that a program of this type would soon reduce the surplus feed which we now have in storage.

Does the Government have a lot of feed grains in storage?

Mr. PEELER. Less than 90 million bushels right now as compared with 900 and some odd million bushels of corn.

Mr. SIMPSON. Is 90 million bushels a lot or a little?

Mr. PEELER. I don't think it is very much.

Mr. SIMPSON. What caused this surplus of feed grains to go into Government warehouses?

Mr. MOORE. I can answer that one. In 1955 we only got 70 percent price support for feed grains, and most corn was out of compliance. And there was such a low price on corn, it was less than \$1 a bushel, that there was no market for feed grains and they went in in 1955—most of the feed grains.

Mr. SIMPSON. There was not any price on corn of less than \$1 a bushel. It was only free corn that went below \$1 a bushel.

Mr. MOORE. Yes, sir. And it took up the market and the Government-supported corn and the Government-supported feed grains were put in the loan. That is where the elevators filled up.

Mr. SIMPSON. Do you feel if you had control or there had been control of the diverted acres that the feed-grain surplus would not exist?

Mr. MOORE. Yes, sir.

Mr. SIMPSON. In other words, then, I take it you are in favor of controlling the diverted acres?

Mr. MOORE. Yes, sir.

Mr. SIMPSON. That means when you take acreage controls and marketing quotas on cotton you cannot put those diverted acres into feed grains, if I understand you right?

Mr. MOORE. I think that there should be a cut in acres on feed grains the same as on corn.

Mr. POAGE. Mr. Moore, in answer to his question there about cotton, would you not agree that what is needed is to give the man who diverts out of cotton the option to put his land in the soil bank just exactly like the man who diverts out of corn has the opportunity to put his land in the soil bank, that he, of course, could not grow any feed on it just like the man who puts his land out of corn can't grow feed on it.

Mr. MOORE. Yes, sir. That would be the same deal.

Mr. POAGE. Unfortunately, you can; you live far enough south, you have a cotton allotment; don't you?

Mr. MOORE. Yes, sir.

Mr. POAGE. You have one, too?

Mr. PEELER. About 10 percent. I have a small one.

Mr. POAGE. Both of you realize that if you divert an acre from cotton, and place it in the soil bank, that you cannot grow anything on it if you put it in the acreage reserve. It has to be left alone without any productive crop whatsoever.

If the cotton man could put a larger amount in the soil bank; that is, the land that he is now diverting into feed, if he could put it in the soil bank, we would eliminate production of a lot of these feeds; wouldn't we?

Mr. MOORE. Yes.

Mr. SIMPSON. I think I still have some more. I offered an amendment in this committee 4 or 5 years ago, to control diverted acres. I was voted down.

I offered an amendment on the House floor to control diverted acres, and had 1 minute to explain it. If I understand your position right, you take the position that if you had control of the diverted acres in the South, you would not have this surplus feed grain. Am I correct?

Mr. MOORE. That is right. If we could have had, for instance, something else, and also I would like to add that if you had the same thing in the Corn Belt it would have taken care of the feed-grain situation at the same time.

I believe, in the Corn Belt you go into barley and oats. When we diverted out of wheat and cotton we went into grain sorghums.

Mr. SIMPSON. I think I am right, there has been no control of the diverted acres in the North or the South.

Mr. MOORE. That is right.

Mr. SIMPSON. When we lay out corn or we lay out wheat—we can only plant 15 acres of wheat in most places in Illinois—we can plant cotton in diverted acres and tobacco that won't grow due to climatic conditions—you can plant grain sorghums in laid-out cotton ground, and it will grow. That is exactly what you have been doing.

I think that is part of the trouble today on the surplus feed grains, surplus corn, and surplus everything.

Mr. MOORE. I agree with that.

Mr. SIMPSON. You mentioned on the first page of your statement, Mr. Peeler, in view of the support price not less than 80 percent.

Well, the bill that I think is before this committee, or one of them, is the Andresen bill calling for emergency legislation on corn which calls for support price of not less than 75 percent parity.

Do you disagree with the Andresen bill in any way as an emergency proposition for the corn farmers who voted 61 percent for 51 million-acre base?

Mr. PEELER. Well, we feel if we are going to donate 10 or 15 percent of our acreage at no cost to the Government in the soil bank, naturally, we will have to have a little bit more ceiling under us where our boys will be able——

Mr. SIMPSON. It is at the discretion of the Secretary of Agriculture as to what prices he maintains.

Mr. PEELER. That is right.

Mr. SIMPSON. Talking about the emergency legislation that is supposed to be before this committee relative to corn, are you in opposition to any one of the bills, essentially, the Andresen bill?

Mr. PEELER. No, sir, we are not in opposition.

Mr. SIMPSON. You are not here in opposition?

Mr. PEELER. No.

Mr. SIMPSON. That is all.

Mr. POAGE. I want to ask another question, Mr. Moore, a question about the statement relating to diverted acres, and let us get straight just what the program is on that, because I think Mr. Simpson's question rather indicated that it was just diverted acreage that caused the problem.

The diverted acres certainly caused a very serious problem. But diverted acres from cotton and from wheat means those acres that the farmer had to take out of cotton or wheat or tobacco, in order to bring his plantings of those controlled crops into compliance. That is, to bring the planting within his allotment.

And if he did not bring his plantings within his allotment he suffered a penalty—such a strong penalty that he could not afford to pay it.

The corn people have never been subject to that penalty. Consequently, they have never had the pressure on them to divert that the cotton and wheat man has had.

Mr. SIMPSON. Will you yield?

Mr. POAGE. Yes.

Mr. SIMPSON. Corn has never been treated the same as any other basic commodity. Tobacco is being supported at 90 percent. Every one of these basic commodities has been treated on an entirely different basis.

You have never had over 40 percent compliance in corn because 70 percent of all of the corn raised goes off of the farm on foot in the form of a Texas steer that has been brought up here in order to put a good steak on it. Or in the form of hogs. I can't see the comparison.

The business of controlling diverted acres, I will admit, caused a lot of trouble not only for the person that has diverted, I will say it caused a lot of trouble for the other areas of the country where the farmer in the diverted areas put those into some other crop.

Mr. POAGE. May I proceed now and try to clarify this? The diverted acres are those the farmer had to take out of wheat or cotton in order to come into compliance. They could be planted in anything that he wanted to plant except another controlled crop. That has always been the law. That still is the law. It had to be the law because it was the only way in which that farmer could comply.

We have had this program for 20 years. And there was no other way whereby the farmer could comply because he had to get something from those diverted acres to live on. He had no soil bank.

Last year we passed the soil bank which provides a means whereby certain people can put land into the soil bank and can be paid for placing it there.

Obviously, we can reduce the production of any controlled crop much easier, from an economic standpoint, if farmers are going to be paid approximately the net return that they would anticipate from that crop on the land that they divert than we can if the farmer has to bear all of the cost and get no return from the Government. I think that is rather simple, isn't it?

MR. PEELER. The cotton and wheat men had to bear all of the cost. The Government has never paid and has not yet paid one thin dime for all of the acres that the cotton and wheat men have cut out in order to get into compliance.

MR. SIMPSON. Will you yield?

MR. POAGE. Just a minute. Let me complete my statement and I will yield.

When you come to corn the corn people have never had to divert in the sense that cotton and wheat have had to divert because they have never had marketing quotas. The only pressure that was ever on them to divert was that they did not get price supports unless they complied with their acreage allotments. Just exactly like your grain sorghum situation would be under this program that you are suggesting.

They didn't get price supports unless they complied with their acreage allotments. That is what you would get for grain sorghums.

You have not actually suggested you made a basic commodity of feed grains in the sense that cotton and wheat have had to take marketing quotas but rather that you be given acreage allotment and price supports on the order of corn.

Then when we established the soil bank, the corn people were allowed to put land into the soil bank and draw payments at the rate of 60 percent of the support price of the anticipated production of corn, not 60 percent of the free market price, but of the support price, 60 percent of the support price.

If they would put any land—not necessarily cornland but any land—in the soil bank, they could get soil-bank payments.

That privilege has not been extended to any other crop that I know of. If it were it would obviously be much easier for the cotton and wheat man to bring his acreage down to the allotted acres because he would be receiving payment for his portion of those acres that he laid out.

If that were true, he could not grow grain sorghums, on those diverted acres, because he is being paid for those diverted acres—he is being paid not to grow any crop on them.

He would not have to grow food grain from an economic standpoint. From an economic standpoint it creates a state under which he can reduce and meet his allotment without growing grain sorghum or without going into oats or soybeans.

We offered that to corn last year and they took advantage of it to the extent of \$179 million.

All of these bills except one, I think, now propose to let corn be paid for diverted acres without decreasing their allotment. You, as a man with a cotton allotment, can't put an acre in the acreage reserve of your cotton crop unless you reduce below your allotment. You cannot put an acre of wheatland into the acreage reserve until you have cut your wheat acreage below your allotment, but the corn man last year could. And under every one of these bills, except one, the corn man will be able to this year place land in the soil bank, into the acreage reserve, and get paid on it on the basis of the anticipated corn yield without ever reducing their allotment of corn one acre. We are not complaining about that.

Mr. SIMPSON. Will you yield?

Mr. POAGE. Just a minute. I want these gentlemen to understand what this situation is.

But we are suggesting that if those same opportunities were extended to cotton and wheat and tobacco and rice and peanuts, to all of the others, if the same opportunity were extended, so that you as a cotton man might put a part of your cotton allotment in the soil bank before you reduced to your base, and you, the wheat man, Mr. Peeler, might put a part of your wheat allotment in the soil bank before you had cut down to your base, when you put it in the soil bank you could not grow feed on it. It would automatically reduce the production of feed. It would automatically take away some of this pressure of competition on corn.

And it would do it all over the Cotton Belt and all over the Wheat Belt. That is the only thing we are talking about when we are saying, "gives these other commodities the same kind of treatment that you give corn."

Mr. SIMPSON. When southern cotton farmers voted quotas and marketing controls on cotton, and put those diverted acres in feed grains as of last year, we, by your own statement, got it supported at 76 percent. So you did get paid for the diverted acres.

Mr. POAGE. No; we didn't get paid. He had to put it in feed grains.

Mr. SIMPSON. As I look at it, he did on the Government supported price at 76 percent.

Mr. POAGE. If you want to force him into the feed-grain production, yes; but your corn people got that same support on feed grains when you diverted any acres.

Mr. SIMPSON. I had an amendment before this committee to control diverted acres, and it was voted down.

Mr. POAGE. Your amendment proposed that the cotton man would have to divert from cotton and could not plant in anything else, and that he would not get 1 thin dime for so doing. Yet you want the corn man who diverts to get paid.

Mr. SIMPSON. We didn't have a soil bank.

Mr. POAGE. We have a soil bank now. We have got a soil bank now, and the corn man can divert without meeting an allotment, and can be paid for diverting without ever cutting down his allotment.

Mr. SIMPSON. So far as I am concerned, as one member of this committee, my opinion, where he plants feed grains in those diverted acres, he gets 76-percent support and it goes into Government storage.

Mr. POAGE. The corn man has exactly that same privilege under the law; exactly the same privilege.

Mr. SIMPSON. I am not complaining about it.

Mr. POAGE. He is growing soybeans on every acre, practically, ever diverted out of corn.

Mr. SIMPSON. I am not saying I am opposed to it, but I am saying that they got 76-percent protection on the diverted acres last year on the feed grains.

Mr. POAGE. You are now asking that corn gets another different kind of treatment. Corn has that same protection, which you feel is adequate for wheat and cotton. Why not for corn?

Mr. SIMPSON. The base of the Andresen bill is 51 million acres. That is the main thing, to go back to the 51; 61 percent of the commercial farmers voted for that.

Mr. POAGE. If you would put cotton back to 23 million acres you would have a comparable situation. If you put wheat back to 71 million you would have a comparable situation. Would you be willing to treat them the same as corn.

Mr. SIMPSON. All right with me.

Mr. POAGE. Except that the cost would run several billion dollars to the United States.

Any further questions? If not, we are very much obliged to both of you gentleman for being here. I think you are both well versed on this feed-grain situation. And it has been helpful to have you come forward.

Mr. Peeler has waited for some 3 weeks to testify, and Mr. Moore has been here all this week. We are sorry we could not hear you earlier, but I am sure that you understand we had other witnesses and we were trying to reach them as fast as we could. We thank you both.

Mr. PEELER. Thank you.

Mr. POAGE. Now, we have the representatives of the National Farmers Organization, Mr. Glenn and Mr. Vantuyle. We will be glad to have both of you appear.

Mr. SIMPSON. Could I make a brief statement?

Mr. POAGE. Certainly.

Mr. SIMPSON. These two witnesses are from the Corn Belt area, I take it. One of them from my district in Illinois, a practical farmer, and the other right across the river, and another practical farmer as well as industrialist.

Mr. HILL. What do you mean by a "practical farmer"?

Mr. SIMPSON. They farm 400 acres or more.

Mr. HILL. Do they farm it themselves or hire it done?

Mr. SIMPSON. You will have to ask them that.

Mr. HILL. You are just so sure—what do you mean by practical farmer?

Mr. POAGE. Let us find out if a man has to farm 400 acres before he is a practical farmer. I always believed that anyone who makes his living farming, whether he does it on 400 acres or 4 acres, is a practical farmer. I don't think that a man has to be a big farmer to be a practical farmer.

Mr. HILL. Living on the farm about 4 miles away practicing law.

Mr. POAGE. We are glad to have you gentlemen here, regardless of any argument about who is practical or who is not. I think the witnesses are practical men. I think the witnesses are here to give us

a practical statement. I think that they can help us. And we are glad to have you.

Now, we don't know whether Mr. Casper would want to file a statement. Do either of you?

Mr. GLENN. Yes, sir; I think he will.

Mr. POAGE. If he cares to, without objection Mr. Casper will have that right.

STATEMENT OF EDWARD A. GLENN, BOARD MEMBER, NATIONAL FARMERS ORGANIZATION

Mr. GLENN. We are caught with our mimeograph down. This has come up unexpectedly.

Mr. POAGE. We understand that, and you need not apologize.

Mr. GLENN. We will furnish a complete statement to each member of the committee as soon as possible. Unfortunately, we are not prepared to do that this morning.

Mr. POAGE. We were simply giving permission to those not here to file a statement. We understand your difficulty. We understand that you flew in here last night. We appreciate your making the effort to come and bring us this information. We will be glad to hear from you, either one at a time or jointly.

STATEMENT OF HENRY VANTUYLE, DIRECTOR AND SECRETARY, LEGISLATIVE COMMITTEE, NATIONAL FARMERS ORGANIZATION

Mr. VANTUYLE. Mr. Chairman, this is one of the few times I got in trouble before I opened my mouth, but I assure you that I do not know quite your definition of a practical farmer. I cannot compare with mentality and looks with you gentlemen but I can bust bales with any of you. I do live on my own farm. My son is the 7th generation to live on the same farm. We have always been farmers.

I am speaking as a director of the National Farmers Organization. I again apologize for not having a more smooth approach as our vice president would have been able to present.

Mr. Chairman, on behalf of the National Farmers Organization I wish to express our appreciation for your courtesy in making it possible for us to testify at this hearing.

My name is Henry Vantuyle. My home is Roodhouse, Ill. I am a corn, hog, and grain farmer. I am a national director from Illinois.

The National Farmers Organization was born of the farm depression of the early 1950's. That depression is still on, as this great committee is well aware.

We started last year with prices at depression levels—averaging only 80 percent of parity. Again, we are starting this year with prices at depression levels—averaging only two points higher.

We, representing the grassroots farmers in our respective States, must look to you, the leaders of Congress, for such legislation as you are able to provide to improve and correct this situation. There is no evidence the situation will be corrected in any other way.

Our corn program has broken down. I do not mean it has been momentarily impaired, temporarily injured, or partially damaged. It has collapsed, Mr. Chairman.

The program we have today is worthless to the corn man. So far as being clothed with the protections of a program are concerned, the corn producer has practically nothing. His allotment is so tight it won't fit. Secretary Benson's price supports are so loose they won't stay up. So the corn man stands out in the cold with nothing to protect him but a pair of ripped shorts; with a new crop year about to begin; with his price at below 70 percent of parity; and with the biggest carryover in history coming up next fall. All of this after a year of supporting noncompliance corn, and the newspapers hinting of a like support this year.

I am not here to burden your record with another sob story about corn, Mr. Chairman. This committee is well aware of that situation. The committee knows that unless there is an effective program for corn, properly administered, the corn grower is in for a pack of trouble, and he will pull many others down with him.

The soil-bank program for corn has not worked. It does not recognize the imperative necessity for greater income. It is the belief of the National Farmers Organization Board that an alternative plan should be provided.

Every member of our board is an active farmer. Last month the board met and came to unanimous agreement upon a plan for corn. With your permission, Mr. Chairman, I want to present this plan for the consideration of the committee.

It is a simple plan.

Mr. POAGE. May I interrupt here, because I do not want to do something that the committee does not want done so far as this is concerned. I think it is very appropriate to hear you. There have been objections raised by members of the committee going into anything other than discussion of the Andresen bill and like bills. If anybody objects to this we will eliminate it now, but I do not want the members feeling I have ignored them. I have been upbraided several times now for letting people testify about this thing after they have testified. If anybody does not want the witness to testify, now is the time to raise the question. He is going to discuss a plan.

Mr. GLENN. I should like to—

Mr. POAGE. Just a minute. I want to know what these members want, because I have been criticized for letting witnesses testify.

If any member of the committee does not want him to testify on this, let him say so. Do not come to me tomorrow night and say: "You took up our time listening to some witness testify to something other than the Andresen bill."

The Chair feels it is perfectly all right, but if anybody else has another view, now is the time to say it.

Apparently, there is no objection, and we will be glad for you to continue, Mr. Vantuyle.

Mr. VANTUYLE (continuing). It is a simple plan.

It would increase income.

It would reduce the surplus.

It would provide for insurance of income in drought or other bad crop years.

It would cost less than the soil bank.

It is a corn parity and insurance plan.

Briefly stated, the plan is as follows:

A realistic corn acreage allotment based on corn requirements without regard to present carryover stocks would be established. This is approximately 51 million acres for the commercial corn area announced for 1957.

Approximately 15 percent of this acreage allotment would be placed in the soil bank in the first year of operation. This percentage would become smaller as surplus stocks were worked off.

No soil bank payments would be made. Instead of payments, National Farmers Organization recommends that the price support for corn be set at 100 percent of parity.

National Farmers Organization recommends additionally that producers be guaranteed an average yield in the event of drought, flood, or other natural disaster. This guaranty would be supported by our present surplus stocks. Payments would be made in kind or a corn certificate, good for cash. Thus, the surplus could be converted into an insurance reserve to provide growers with greater stability of income in bad crop years. What a blessing this would have been to much of the drought area today.

Yields in the commercial corn area were below average in 3 of the last 5 years. Insurance payments amounting to about 334 million bushels of corn would have come due in this period, had the plan been in operation.

Corn acreage must be brought within reasonable limits. This is a simple economic fact. To ignore it is to mislead. It is to hasten the return of jungle law and economic cannibalism in agriculture.

National Farmers Organization recognizes this. For this reason, it recommends that participation in the allotments be compulsory if parity and insurance corn plan benefits are preserved. Corn growers who have kept within allotments would need to make no further reduction.

It is our belief that this plan would achieve the adjustment that is essential in corn in a comparatively short time. It would get the price where it ought to be—at full parity. It would put surpluses to a useful purpose. It would provide an important stabilizer for farm income.

We have had time to study this plan only as it applies to corn. Many of our members are interested in applying it to wheat. This is under study at the present time.

Mr. Ed Glenn would like to go into this plan in more detail.

Mr. GLENN. We are not here to criticize Mr. Andresen's bill. We are not here to present what we think is the farm program. We are here to make a suggestion for your committee's consideration so far as we are aware that has not been under consideration by this committee.

In the first place, of course, we recognize that compliance is the heart of any program.

As has been brought out in the discussion this morning, I think the situation at least we feel is not desperate enough to apply the penalty, the driving force for compliance. It is the honey approach. Therefore, we have searched for a practical incentive to compliance. We do not have any objection on principles to the payment for soil-bank acreage, except that we have a certain apprehension that Congress will not be willing to appropriate the billions of dollars that will be necessary to make the thing work on its own feet. We feel that

what the Associated Press and the Farm Bureau call high, rigid price supports—relatively higher supports are economically sound because they are an incentive to compliance. We feel that a price support at parity would be cheaper than a price support at 90 percent of parity or at any lower figure, because it would obtain greater compliance and in compliance is the remedy to the situation.

Fifty-one million acres in the case of corn is a practical use of the domestic consumption base.

There are two reasons, we think, that corn is on a different footing from other commodities. One is that it happens that the situation in corn in this country is not as severe, or in feed grains, I should say, as other crops.

The second thing is the fact that the use of the same devices, in other words, the marketing quotas, is not very practical in corn because it is consumed on the farm. The marketing card just simply does not apply as it does to those commodities that move directly into commerce, such as cotton and wheat. So we were looking for some incentive to comply.

You have a situation where the producer, given a fair and reasonable price, one that will maintain his standard of living and his prosperity, has a tremendous incentive.

The other is this continuous local disaster. We have had a widespread drought in the last few years, gentlemen, but there is never a time, never a year, when some portion of this country is not visited by natural disaster, plagues, or drought, or floods, or diseases, or what have you.

It seems to us that from the feed-grain standpoint, it is consumed by the livestock. And he not only loses his crop but he has to pay high local prices for the feed grains to maintain his basic herds. The Congress is called on for disaster relief of all sorts.

We feel that this type of a plan which would provide this insurance payable in kind or warehouse receipts to take care of this cash, would provide that stability income through those disaster periods, would serve to reduce the surpluses, and would provide an incentive that would gain compliance.

So far as the actual breakdown of the figures, I know you gentlemen are thoroughly familiar with them, far more so than we are perhaps. But a 15 percent reduction off of 51 million acres, in the commercial corn area, assuming recent average yields of 46 bushels to the acre, would provide, of course, the 15 percent reduction—that is, still assuming 100 percent compliance, and we are not predicting that that would be obtained—would give 43,350,000 acres planted in the commercial area.

Mr. POAGE. That is last year's allotment?

Mr. GLENN. Yes. Of course, last year you actually raised almost 57 million acres in the commercial area. If you multiplied that by 46 bushels you would have just under 2 billion bushels of corn. Add the crop outside of the commercial area of 600 million bushels, and it will give you a total crop of about 2,600 million—2,994 million.

Our annual corn requirement in disappearance over the last 5 years in this country has been 3,100 million bushels. That would indicate a disappearance out of surplus in the first year of 506 million bushels.

I don't think you would get that high a yield because of two factors. You would not get 100 percent compliance, that is obvious.

The second thing, as we practical farmers realize that any time we reduce our planted acreage we do a little better job of farming what is left. That is just built in. That isn't a matter necessarily of improved varieties and fertilizers. We have fewer weeds to take care of and we do a better job and raise a better yield. There would be some slippage there.

The only thing we can work from are these figures. That is an unpredictable factor. It would be a very substantial reduction, of course.

Taking into consideration the increase in the production of feed grains since 1953 when we had no surplus, which amounts to 256 million bushels, that should create a reduction in our feed-grain supplies of 250 million bushels, approximately—249,600,000.

Strictly from the standpoint of income in the first year, if we take into consideration parity price for the estimated yield of corn even at that complete reduction that would give a valuation of \$3,589 million for the corn crop raised, plus the insurance value based on the estimate over these years.

Mr. POAGE. That is the value of the corn crop in the commercial corn area?

Mr. GLENN. Yes, sir. In the commercial area. Because that is where we are discussing applying this thing for the moment. Plus the insurance value of 603 million would give you a total value in the commercial area of \$4,192 million. That is in the first year, in the year in which we have a very drastic situation which we think is largely or to a large extent created by the subsidizing of noncompliance corn.

To compare that with the 1956 crop at average United States prices, and including the soil-bank payment in the commercial area—I am talking about the crop in the commercial area that had a value of \$3,674 million. So that you would have an increase of \$500 million without the soil-bank payment in the value of the corn crop.

Gentlemen, when it comes to this problem of these other feed grains we are very seriously concerned with them. It is true that there is little, relatively little in the way of feed grains other than corn that is in storage. I think the old economic axiom, the old Grecian law applies, the cheap grain has driven the dear grain into storage. That is all there is to it. It has been cheap on the market because of the lower price support and it has displaced corn in the free market and has, therefore, forced corn into storage.

Mr. POAGE. And would you go further, and agree that this is the reason that Mr. Peeler and Mr. Moore were able to sell their grain sorghums last year at more than the support price?

Mr. GLENN. Yes, sir; I will go further. I will say this, Mr. Chairman, that if you do not do something about coupling grain sorghum and corn together, I am going to be raising grain sorghum all over the place on any land beyond my corn allotment. As the fact of the matter is, it seems to me reasonable that the grain sorghum should be made more or less interchangeable, because it will substitute and, as a matter of fact, a great many people on land in the Corn Belt, that is not our best corn land, in the river bottoms of the Mississippi, on some of that gumbo, where we have a dickens of a time getting rid of the weeds when it gets hard and flinty and goocy; we can raise larger yields of grain sorghum at less cost than we can of corn. This is right

in the Corn Belt. It has been demonstrated in the last year or two more or less experimentally that it can be done.

It seems to us that if a man raises grain sorghum in the commercial corn area that ought to count against his corn allotment.

We feel on an individual farm you already have the figures. It has been set up, and you have these average yields on the farm. And by offering this insurance, that average guaranteeing the man his average production of corn against disaster, you create an incentive that no farmer can turn down given a reasonable allotment basis.

There are 2 or 3 things wrong with the current allotment setup. I cannot say, and I don't suppose any man can say, what percentage of noncompliance has been created by these situations. In the first place, our people through the Midwest have shown an amazing unanimity that the historical base for crop allotments has outlived its time. Certainly, it was defensible in the period of the thirties when there was no other technical base—it was then defensible. But during the recent fall we submitted to our membership a questionnaire and among other questions was the question of whether they would prefer a good land-use base for allotments rather than a historical base. We got less than 5 percent of the questionnaires returned that favored the historical base.

I recognize there are technical problems involved there. There would have to be a transition period for the shift. And a great deal of the control of the basic principles of it would have to be delegated to local people who are familiar with local problems and local land use.

We think that the committee should keep that in mind and be working toward that objective. A shorter range thing. And perhaps more important in the past is the proposition that the livestock farmer through the Midwest whose fields are fenced, his crop allotments never fit his feeding. We think that the farmer should within reasonable percentage be permitted to underplant his allotted acreage without being penalized for that and carry that over to the next years, so that he can fit out his feed. We do not know what percentage it would make in compliance, but we think out of all proportion to what you think. It is the minor annoyance that drives the man out of compliance.

Another thing that's basically wrong in the present statute is the fact that if this thing, the way it is working now, is carried to its logical conclusion, all of the allotted acres will be gradually transferred from the man in compliance to the man out of compliance, because you have a moving average of actual planted acres without taking into consideration the set aside or the reduction. And most of our farmers have just this winter discovered what has happened to them. They are a whole lot less enthusiastic about compliance than they have been in the past. I think that definitely should be changed.

We believe that a base of a good, sound allotment for reasonable level of support and this insurance incentive will solve a lot of your problems of disaster areas, and will obtain much higher degree of compliance.

Mr. POAGE. You mentioned that matter of insurance payment a number of times. I agree with you that it is a very valuable contribution to the stability of our economy. I think it is something that is quite important in your plan. But didn't you figure that when you added that to the value of the corn that you would produce

in the commercial corn areas, because your calculations were based on the assumption that you would have adequate production all over the Corn Belt?

Mr. GLENN. I didn't catch a word in there.

Mr. POAGE. I say——

Mr. GLENN. My assumption was based on?

Mr. POAGE. Your calculation was based on the assumption that you have normal production all over the Corn Belt; wasn't it?

Mr. GLENN. Yes, sir.

Mr. POAGE. Per acre. So you assumed a crop in which there wasn't any loss.

Mr. GLENN. I assumed recent average yields in the commercial area, which reflect invariably disaster conditions in some areas, extremely favorable production in others. If this thing were carried through to a period of stability, in other words, assume that it was successful and had reduced our reserves in this country to a reasonable level, and we don't think they should be wiped out, and you then eliminate the 15 percent reduction where you get your actual production down to a reasonable balance with consumption, then you can still maintain that thing by moving that surplus, from the surplus producing areas to the areas hit by disaster.

So even in a year when you have stability there would always be some fault to this program.

Mr. POAGE. You say that loss would amount to as much as \$600 million?

Mr. GLENN. Mr. Chairman, our slide-rule man has come up with that figure.

Mr. POAGE. Yes.

Mr. GLENN. Frankly, I think he grabbed it out of thin air. I don't know how anybody could estimate for a year in advance what it would be. He has arrived at that based on some figures that he dug out for recent years.

Mr. POAGE. I guess he arrived at it because the insurance companies can tell me when I am going to die—that is, they cannot tell me when I am going to die but they tell when the average man of my age is going to die.

Mr. GLENN. I would like to say this: Aside from the cash value of that type of insurance program, there is a greater value to the operating farmer.

Many of us, and especially the men that are perhaps in the greatest discomfort economically right now, the young farmers who started out after the war, are skating on pretty thin ice.

When we get one of those years like we got in my area in 1954—Mr. Simpson will remember that, we had 3 days in July of 1954 when we had 115° temperatures, 15 percent humidity and 20-mile wind. This is on the Mississippi River. This isn't out in Oklahoma and Texas. And our corn was just tasseled, pretty prospects, and it turned white from the tassel to the shoe.

I am not talking about yellow, it was white. It was dead.

That was reflected in my own personal situation in the following year when I had to buy corn at \$1.60 a bushel to keep the cattle and hogs going. And I sold those hogs for from 10 to 12 cents a pound.

And, of course, you are all familiar with the old 12 to 1 ratio. And you have a pretty good idea what that did to me.

If corn had been delivered to me it would have been worth more to me than the actual dollar value of the corn in a year when I raise a crop.

Mr. POAGE. I don't mean to question you about that, I just raise the question as to the figures. I think this program is sound.

Let me ask you about your statement, as I understood it, that you felt that much of our problem came from the results of subsidizing the noncompliance corn.

Mr. GLENN. Yes, sir.

Mr. POAGE. I think that has caused much of the present problem. The production we had last year, probably the reason we got a large surplus of corn—at least one of the chief factors of getting a large amount of corn into the Government warehouses—was the support of noncompliance corn last year.

I call your attention to the fact—I guess it was this week the Assistant Secretary of Agriculture sat right where you are and told us, and repeated, when I kept asking him what the Government would do about noncompliance corn if we didn't pass legislation—at what figure he would support it—he repeated it, he said it 2 or 3 times, that the Government would not let it drop to disaster levels, indicating to me, although he refused to give us figures, that it was the clear intention of this Department of Agriculture to again support noncompliance corn.

Mr. GLENN. I feel that the whole agriculture industry has been seriously damaged, as a matter of public relations, by the conception many people have that price supports are a subsidy for agriculture.

And in my own personal view, and it is the principle around which our organization revolves, are that price supports are not a subsidy. They are an incentive, to stabilize our own industry.

Mr. POAGE. Of course, I agree with you. I have always believed in the so-called high rigid price supports and have so voted, because I believe that the high rigid price supports will achieve a stabilization that you cannot achieve under the breakdown flexible program.

But to be practical, I do not see the slightest possibility of securing even 90 percent, much less 100 percent for the next 4 years; do you?

Mr. VANTUYLE. We thought it might be possible by giving up the soil-bank payments.

Mr. POAGE. Do you think that would make any difference? You have heard the Department of Agriculture express their views on this thing. And you have heard the suggestion that it was a matter of great principle that we should not give anybody a firm support, although, of course, I think that principle has been broken several times—at least in the cases of sugar and wool, and those two programs are working better than any others.

Mr. GLENN. Although this may be true, that is a little beyond our position here to express an opinion on that. We will say this: That we are not going to quit advocating what we think is right because somebody differs.

Mr. POAGE. I do not ask you to. I am not going to quit, either. But when it comes to passing this legislation—and you have stated the opinion that most of us must have, that without a corn program we do not have a farm program. Some of my colleagues do not believe that I believe that, but that is my opinion.

Are we going to get a corn program if we insist on a program involving those things that we know are an anathema to the present administration?

Mr. GLENN. We cannot answer that question.

Mr. POAGE. Should this committee—assume that we had the votes to pass that kind of a program, would you think that it was wise for us to do it knowing that we would not get a program?

STATEMENT OF ROBERT CASPER, VICE PRESIDENT, NATIONAL FARMERS ORGANIZATION

Mr. CASPER. Mr. Chairman, I am wondering if the pressure to cut the budget isn't almost as great as this other pressure. In other words, this program we are talking about, I believe, will eliminate a very great sum of money and use our surpluses to carry the soil-bank program.

Mr. POAGE. I am not saying that I have studied your program enough to make a firm commitment but I am inclined to agree with you, but I do not think that you can assume that 1 percent, not one out of a hundred over the country, is going to agree with you. It will take you a good many years to do that.

People don't accept programs of this kind until they have had a chance to study them and had a chance for them to sink in. I think you are realistic enough to know if this were put on a vote today there would not be one person in a hundred that would agree that it would cut the budget.

And you have got to have a general feeling that it will cut the budget if you are going to assume that a concern for budget will have anything to do with passing it—most people would say that this would increase rather than decrease the budget—that is what you get from the very ones who are for cutting the budget.

Mr. CASPER. I suppose. Yet we have a problem here that we are going to spend under any of these soil-bank proposals a great deal of money. It is a question whether we get our money's worth, in our estimation.

We think this insurance provision would stabilize agriculture and make the ever-normal granaries work. It should work in our minds, I think all of us. And I do think that giving up this soil bank payment would be popular with the country as a whole.

I mean, we realize also that we are not going to come in here today and sell you gentlemen and do not expect to and should not. But I do think that as this thing begins to be discussed, this insurance provision, plus the fact that we are not asking for funds from the Treasury, will be popular.

Mr. POAGE. I want to assure you that your colleagues have done a splendid job in my opinion in presenting this thing to us. I am delighted that they have done so, because I think the presentation of it is helpful.

And I want to thank you, as I have thanked them, for coming here and giving us this presentation because it does take time for discussion before you get to the substance of any program. And it should.

Are there any further questions?

Mr. HOEVEN. Reference has been made to a practical farmer, which you are. By the same token the members of this committee are rather practical individuals. That has been my experience.

A practical proposition confronts this committee, regardless of our personal likes or dislikes.

Are you familiar with the provisions of the Andresen bill?

Mr. GLENN. In a general way, Mr. Hoeven.

Mr. HOEVEN. In substance it provides for a base acreage of 51 million acres?

Mr. GLENN. Yes.

Mr. HOEVEN. And places a floor under corn at 75 percent of parity and provides for a diversion of 15 percent of tillable acres into the soil bank.

Wouldn't you rather have a floor of 75 percent of parity for corn than to permit the Secretary of Agriculture to fix it from zero to 90 percent?

Mr. CASPER. You bet.

Mr. GLENN. I said in the introduction of my remarks we were not here to attack Mr. Andresen's bill. We took the opportunity to present just a little different angle on it that we thought might be of interest to you.

Mr. HOEVEN. Of course there is an area of compromise, but are you opposing the 51 million base acreage?

Mr. GLENN. That, sir, is one reason we are not ready to propose the extension of this plan that we presented here to any commodity other than corn. Corn has a great advantage. That we have a reasonable level of allotment that fits with the domestic consumption and 51 million acres, I think, is, in the general opinion, a realistic figure. That happens to fit in.

We would normally produce the same amount that we have in domestic experience.

Mr. HOEVEN. Can you give us some idea as to what the minimum inducement should be to get corn producers in the commercial corn area to participate in the soil bank?

Mr. VANTUYLE. Could I ask a question, sir, first?

Mr. HOEVEN. Yes.

Mr. VANTUYLE. As to your soil bank figure from tillable acres, is that also subtracted from allotted acres?

Mr. HOEVEN. Well—

Mr. VANTUYLE. Are you taking soil-bank acres from allotted acres merely to prevent the growing of beans and so forth?

Mr. ANDRESEN. Will you yield there?

If a farmer has 100 acres corn allotment and has 100 tillable acres in addition on his land, he can take 15 percent of his other acres and take that out of tillable acreage.

So that he can either take it out of his 100 acres of corn and bring that down to 85 acres or he can take that 15 acres out of other tillable land on the farm.

Mr. VANTUYLE. I could put in my 100 acres of corn and then just 85 acres of other crops?

Mr. ANDRESEN. That is right. You would have to get it to get the support price, get it in the soil bank, you would have to cut those 15

acres out of either of one or the other, out of corn or the other tillable acres.

Mr. GLENN. The biggest problem in getting compliance in the Corn Belt, gentlemen, with the soil bank just on a cash-payment proposition, is the difficulty, especially under the setup the way they arrange it now with the rather limited participation in the soil bank.

Of course, I realize that would be expanded.

Mr. HOEVEN. The percentage of participation has not been good, and the results of the recent referendum speak for themselves.

Again I ask, what is the minimum inducement as far as corn producers are concerned. Will the 51 million acre figure plus the 75-percent floor under corn induce the farmer to go into the soil bank?

Mr. GLENN. I doubt that 75 percent of parity will do it, will induce them. I think that that is the weak point in it.

Mr. HOEVEN. Wouldn't a 75-percent floor be better than from zero to 90?

Mr. GLENN. Yes, sir.

Mr. HOEVEN. Don't you agree with me that because we did not a specific floor under corn was one of the reasons why the referendum was defeated?

Mr. CASPER. Yes.

Mr. GLENN. I think that was the entire reason, the fact that our people felt they would lose the basic designation of corn.

Mr. HOEVEN. That is right.

Mr. SIMPSON. Mr. Glenn, don't you and your organization feel that an absolute emergency exists so far as the corn program is concerned?

Mr. GLENN. Yes, sir.

Mr. SIMPSON. And I understood your statement or Mr. Vantuyle's, to represent 51 million acres, 15-percent participation, 100-percent support, while the Andresen bill says 75 percent. I think they should have stated it says 75 to 90.

In other words, it is still possible for the Secretary to put 90 percent on if you have a drought or have this or have that. Just put a minimum floor of 75 percent.

Mr. HOEVEN. But it does not place a ceiling?

Mr. SIMPSON. It is already in the law.

Mr. HOEVEN. The Andresen bill does not place a ceiling except as already provided by law.

Mr. GLENN. I don't believe in view of the policies that have been followed the last few years by the present Secretary of Agriculture, that you need worry about the need for a ceiling.

Mr. SIMPSON. He supported corn from noncompliance at 70 percent last year.

Mr. GLENN. If it is not in Mr. Andresen's bill, I think it should be added. I don't think that should be possible.

Mr. SIMPSON. He did support corn from noncompliance at 70—he supported feed grains at 76 percent.

Mr. POAGE. May I interrupt?

He supported feed grains at 76 percent because this Congress forced him to do it by law.

Mr. SIMPSON. Whichever was the greatest.

Mr. POAGE. We required him to do it, though, that is the reason he did that.

Mr. VANTUYLE. One of our resolutions at the national convention was that this Congress pass more laws with less discretion and not leave things to discretion, do it with fixed things.

Mr. SIMPSON. Would your organization feel that we are on the right approach on 51-acre base 15 percent in the soil bank, and a floor of 75 percent, in order to be practical? Would you think we were on the right approach?

Mr. GLENN. Mr. Simpson, certainly, we think that is a vast improvement over the present situation. Actually, we think that it is almost 100 percent except on the question of price supports, and recognizing the thing that Mr. Poage pointed out, I think probably it is the best.

(Discussion off the record.)

Mr. SIMPSON. I am finished.

Mr. POAGE. We are very much obliged to you gentlemen for your appearance.

We will include your statement in the record at this point.

(The statement is as follows:)

STATEMENT BY ROBERT CASPER, NATIONAL FARMERS ORGANIZATION

The NFO firmly believes that farmers should have 100 percent of parity prices. We also feel it is our duty to our members and to Congress to support a program that has some chance of passage in this session of Congress.

Although the NFO has recognized the potential value of a soil bank we have been reluctant to give our support to previous versions for the following reasons:

1. We doubt the wisdom of relying on large appropriations from the budget at a time of great general prosperity.
2. We question whether Congress will make available enough funds to make any presently proposed soil-bank plan effective.
3. If such funds are made available, it encourages absentee landlords to put their farms in the soil bank and dispossess their tenants, thus creating a class of displaced persons.
4. We doubt farmers will comply under the proposed support level of 70 to 75 percent of parity.

The NFO therefore proposes:

1. We recommend the adoption of a 51 million base acreage.
2. Fifteen percent to be put in soil bank to qualify for supports.
3. No soil-bank payments.
4. One hundred percent of parity supports for participating farmers.
5. An insurance covering basic crops, insuring the average yield set up under the Soil Bank Act of 1956 on the total planted acreage within the allotments of participating farms. Losses under this insurance to be paid in kind from surplus stocks held by Commodity Credit Corporation.
6. We recommend this program for corn and believe it equally practical for other basic crops.
7. In our estimation, a very dangerous situation is developing in the swine industry due to better hog prices together with the trend toward cheap feed grains. We believe it of the utmost importance that this Congress enact legislation supporting livestock prices. These supports, if established, to be used to put emphasis on marketing at lightweights to reduce expected surpluses and with seasonal variations to encourage a more even flow of livestock to market.

But most important is the insurance provision which would alleviate much of the distress caused by natural disaster such as drought, flood, and hail, and would make the ever-normal granary a reality.

Mr. POAGE. We will adjourn to meet Tuesday morning at 10 o'clock. We are adjourned to that time.

(Whereupon, at 12:10 p. m., the committee adjourned, to reconvene at 10 a. m., Tuesday, February 12, 1957.)

CORN PROGRAM



HEARING

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON

AGRICULTURE AND FORESTRY

UNITED STATES SENATE

EIGHTY-FIFTH CONGRESS

FIRST SESSION

ON

S. 829, S. 1013, S. 1014, S. 1076, S. 1125, S. 1362,
S. 1441, and S. 1449

BILLS TO PROVIDE CORN BASE ACREAGES, AND FOR
OTHER PURPOSES

MARCH 4, 1957

Printed for the use of the Committee on Agriculture and Forestry



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CORN PROGRAM

MONDAY, MARCH 4, 1957

UNITED STATES SENATE,
SUBCOMMITTEE ON AGRICULTURAL PRODUCTION,
MARKETING AND STABILIZATION OF PRICES,
COMMITTEE ON AGRICULTURE AND FORESTRY,
Washington, D. C.

The subcommittee met, pursuant to call, at 10 a. m., in room 324, Senate Office Building, Senator Ohn D. Johnston (chairman) presiding.

Present: Senators Johnston, Humphrey, Aiken, and Young.

Also present: Senators Scott, Talmadge, Thyne, Hickenlooper, Mundt, Williams, Carlson, and Case.

Senator JOHNSTON. The committee will come to order.

We will begin hearings on the corn program that we hope to work out for the coming year as well as future years.

We have several bills before us which will be made a part of the record.

(The bills are as follows:)

[S. 829, 85th Cong., 1st sess.]

A BILL To provide for corn base acreages, and other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law—

(1) base acreages (based on a total base acreage for the commercial area of fifty-one million acres) shall be established as provided in section 103

(b) (1) of the Agricultural Act of 1956 for 1957 and for each subsequent year for which an acreage reserve program is in effect for corn; and

(2) no acreage allotments shall be in effect for the 1957 and subsequent crops of corn.

SEC. 2. Subject to subsections (a) and (d) of section 308 of such Act, price support shall be made available by Commodity Credit Corporation for the 1957 and subsequent crops of corn at such level as the Secretary determines will assist producers in marketing corn in the normal channels of trade but not encourage the uneconomic production of corn, and further with consideration of the factors set forth in section 401 (b) of the Agricultural Act of 1949, as amended.

[S. 1013, 85th Cong., 1st sess.]

A BILL To provide for corn base acreages and other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law—

(1) base acreages (based on a total base acreage for the commercial corn-producing area of fifty-one million acres) shall be established for corn as provided in section 103 (b) (1) of the Agricultural Act of 1956 for 1957 and

for each subsequent year for which an acreage reserve program is in effect for corn;

(2) acreage allotments shall not be in effect for the 1957 and subsequent crops of corn; and

(3) subject to subsections (a) and (d) of section 308 of such Act, price support shall be made available by Commodity Credit Corporation for the 1957 and subsequent crops of corn at such level as the Secretary determines, taking into consideration the assistance necessary to aid producers in marketing corn in the normal channels of trade but not encourage the uneconomic production of corn, and the factors set forth in section 401 (b) of the Agricultural Act of 1949, as amended: *Provided*, That the level of price support for any crop of corn for which an acreage reserve program is in effect shall not be less than 70 or more than 90 per centum of the parity price therefor.

[S. 1014, 85th Cong., 1st sess.]

A BILL To provide for a corn base acreage of fifty-one million acres for any year in which an acreage-reserve program is in effect for corn, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law—

(1) base acreages (based on a total base acreage for the commercial area of fifty-one million acres) shall be established as provided in section 103 (b)

(1) of the Agricultural Act of 1956 for 1957 and for each subsequent year for which an acreage-reserve program is in effect for corn; and

(2) no acreage allotments shall be in effect for the 1957 and any subsequent crop of corn for which an acreage-reserve program is in effect for corn.

SEC. 2. Subject to subsections (a) and (d) of section 308 of the Agricultural Act of 1956, price support shall be made available by the Commodity Credit Corporation for the 1957 and any subsequent crop of corn for which an acreage reserve program is in effect for corn at such level as the Secretary determines, taking into consideration the factors set forth in section 401 (b) of the Agricultural Act of 1949, as amended, will assist producers in marketing corn in the normal channels of trade but not encourage the uneconomic production of corn, except that the level of price support for corn produced in the commercial corn-producing area to producers who meet the requirements of subsection (a) of section 308 of the Agricultural Act of 1956 shall be not less than 75 per centum of the parity price.

[S. 1076, 85th Cong., 1st sess.]

A BILL To amend the Soil Bank Act so as to provide a base acreage for corn of fifty-two million acres, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of section 103 (b) is amended to read as follows:

“(b) There is hereby established for 1957 and for each year thereafter for which an acreage reserve program is in effect for corn a total base acreage of corn for the commercial corn-producing area proclaimed under section 327 of the Agricultural Adjustment Act of 1938, as amended, of fifty-two million acres.”

(b) Paragraph (2) of section 103 (b) is repealed.

SEC. 2. (a) The last sentence in section 308 (a) of the Agricultural Act of 1956 is amended to read as follows: “Corn acreage allotments shall not be effective for any year for which base acreages are in effect for corn.”

(b) Subsections (b) and (c) of section 308 of such Act are repealed.

SEC. 3. The amendments made by this Act shall be effective beginning with the 1957 crop.

[S. 1125, 85th Cong., 1st sess.]

A BILL To enable corn producers to participate in the 1957 soil bank and price-support programs and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of

law, section 103 of the Agricultural Act of 1956 (Public Law 540, Eighty-fourth Congress), is amended by adding a new subsection (c) as follows:

"(c) For the 1957 crop year corn producers in the commercial corn area may qualify for price support on corn and participate in the soil bank program by complying, in accordance with regulations issued by the Secretary of Agriculture, with either of the alternatives presented to producers in the corn referendum dated December 11, 1956, pursuant to the provisions of the Agricultural Act of 1956 (Public Law 540, Eighty-fourth Congress), and price support in the non-commercial corn area shall be 82½ per centum of the average of the price support in the commercial corn area as estimated by the Secretary of Agriculture."

[S. 1362, 85th Cong., 1st sess.]

A BILL To provide for a minimum acreage allotment for corn and increased incentive for production adjustment

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 328 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, the acreage allotment for corn for any calendar year beginning with 1957 shall not be less than fifty-one million acres."

SEC. 2. Section 101 (d) of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new paragraph, as follows:

"(8) The level of price support for corn to cooperators within the commercial corn-producing area for the 1957 crop shall be not less than \$1.50 per bushel for not to exceed sixteen thousand bushels produced by any one producer."

SEC. 3. Section 408 (b) of the Agricultural Act of 1949, as amended, is amended by inserting after the first sentence thereof the following: "For the purpose of price support in the commercial corn producing area for the 1957 crop and any subsequent crop of corn for which an acreage reserve program is in effect, a 'cooperator' shall be a producer (1) on whose farm the acreage planted to corn does not exceed 85 per centum of the farm acreage allotment for corn; and (2) who devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program equal to 15 per centum of such producer's farm acreage allotment for corn."

SEC. 4. (a) The second sentence of section 301 (b) (10) (A) of the Agricultural Adjustment Act of 1938, as amended (relating to allowance for carry-over for the purpose of computing normal supply), is amended by striking out the words "15 per centum in the case of corn" and substituting therefor the words "30 per centum in the case of corn".

(b) The amendment made by this section shall be effective with respect to the marketing year beginning October 1, 1957, and subsequent marketing years.

[S. 1441, 85th Cong., 1st sess.]

A BILL To provide for additional participation in the soil bank through payment in kind and thereby provide more rapid reduction of surplus stocks by amending section 105 of the Soil Bank Act

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (c) of section 105 of the Soil Bank Act is amended by adding at the end thereof the following: "In the event the Secretary determines that by reason of the monetary limitations imposed by this subsection he is unable to allow producers to participate in the acreage reserve program to the extent necessary to carry out the acreage reserve goal established pursuant to section 104 and/or to meet the demands of unusually heavy signups in certain areas so as to avoid prolonged delays in completing contracts due to problems of allocations or transfers of money as set up under this section (subsection (c)), the Secretary shall permit additional participation by producers in the acreage reserve program to the extent necessary to carry out such goal or desirable to allow fullest possible efficient participation by producers if such producers agree to accept payment in grain (as provided in subsection (a) (2) of this section), for such additional par-

ticipation: *Provided however*, That in no case shall the producer receive less dollar value in grain than he would receive in cash at the time of payment. Payments made in grain for such additional participation shall not be considered in determining the amounts of total compensation paid to producers for purposes of the limitations as imposed by this subsection."

[S. 1449, 85th Cong., 1st sess.]

A BILL To provide for a minimum acreage allotment for corn, and other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 328 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: "Notwithstanding any other provision hereof, the acreage allotment for corn for each of the calendar years 1957, 1958, and 1959 shall not be less than fifty-one million acres."

SEC. 2. Price support shall be made available by Commodity Credit Corporation for the 1957 and subsequent crops of corn at a level not less than 75 per centum of the parity price therefor, as provided in the Agricultural Act of 1949, as amended.

SEC. 3. Section 408 (b) of the Agricultural Act of 1949, as amended, is amended by inserting after the first sentence thereof the following: "For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a 'cooperator' shall be a producer who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 per centum of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn."

Senator JOHNSTON. I notice we have with us 2 or 3 Senators. Senator DIRKSEN, do you wish to be heard?

Senator DIRKSEN. Yes.

Senator JOHNSTON. You may proceed then.

STATEMENT OF HON. EVERETT McKINLEY DIRKSEN, A UNITED STATES SENATOR FROM THE STATE OF ILLINOIS

Senator DIRKSEN. Mr. Chairman, I shall be very brief. I have no prepared statement. And, consequently, I can file nothing with the committee.

But first let me say this, there has been much clamor for action on this problem facing the Middle West on corn. I have had delegations of the National Farmers Union, the American Farm Bureau Federation, and probably 5,000 letters on the subject.

There isn't any question but what it is urgent. Of course, the problems spring from what happened in the referendum last December when two-thirds of the farmers failed to vote as required by the statute. It meant that the Secretary of Agriculture had to recede from the 51 million acre, to the 37 million acre base, and the result will be quite obvious now and later, because it will mean excessive supplies of corn, and in a sense it will mean, I am sure, an upset to the whole livestock picture sometime later.

Normally, in the Corn Belt, we plant about 56 or 57 million acres of corn. You can readily see what a drop from that level to 37 million acres will do. That is somewhere around 37 or 38 percent reduction in the corn acreage. The thing is just as urgent as it can be.

I presume by administrative action that the March 8 deadline might be extended if it would do some good, but you cannot very well extend the planting pattern for the farmers out there. They must know now. And the commercial corn acreage has gotten larger.

Senator JOHNSTON. And a greater trouble is that you are getting very close to your planting time.

Senator DIRKSEN. It won't very long in some areas until the plow will go into the soil.

Senator HUMPHREY. Are you suggesting that the Department extend the March 8 deadline, so that whatever legislation is reported farmers may comply?

Senator DIRKSEN. I rather hoped in the interest of the preservation of the soil bank that something along that line might be done, if it can be accomplished. I do not pretend to know what all of the factors are in that particular picture.

Senator HUMPHREY. I feel that it should be done.

Senator DIRKSEN. I have discussed it. I know that the deadline is there, and doubtless in some areas it could be done. I don't know whether that is true in all areas or not. But at least it is a matter that the committee should consider.

I want to say a word about the fact that corn is definitely in stark trouble. We had a 3.4 billion harvest and a carryover of 1.2 billion, so that we have a corn supply of roughly 4.6 billion.

With any kind of normal disappearance between now and next October we will have pretty close to a 1.5-billion-bushel carryover. That will be the largest carryover on record. There are some things that aggravate it.

First of all, the huge feed-grain production is estimated, I think, at around 800 million.

Then you have the Commodity Credit problem of pushing this stuff into the market. In January they put 2,000 cars into the market. I understand that in February they put 4,800 cars in the market, so that since last November corn futures have receded from roughly \$1.48 to \$1.31.

Thus, you are confronting the corn farmers with a real problem. There are a number of bills pending. I am not familiar with all of the bills that have been presented. But there is the Cooley bill, H. R. 4901, and also the Andresen bill, H. R. 3011, in the House. There is the bill I introduced, Senate 829. And then bills by Senators Ellender, Mundt, Case of South Dakota, Hickenlooper, Humphrey, and probably others.

To be very frank about it, I understand that the Cooley bill may come to the floor of the House about Wednesday and there may be quite a tussle.

It is a little on the complicated side, as I read the bill. It would set a corn allotment of 43.2 million acres and permit up to 18 percent of the acreage to go into the soil bank with a corresponding reduction in feed-grain acreage.

The estimated cost is about \$700 million. If you add to it the \$300 million for acreage reserve on feed grains, you can readily see that they want to push that limit to \$1 billion.

That is a huge undertaking in the face of the budget we have at the present time. Then, in addition, the act itself sets the limit on price supports from 75 to 90 percent.

The Andresen bill, which I apprehend will be offered as a substitute in the House, is substantially like the bill I introduced, S. 829. It would set a corn base of 51 million acres for the 1957 crop year and in subsequent years. But it does recite the price supports in the bill itself. And the cooperator must submit 15 percent of his land to the reserve.

The only difference between the proposal I introduced and the Andresen bill is that in the case of my bill we leave the support within the discretion of the Secretary.

Senator HUMPHREY. Do you have any requirement in your bill to put any of this land in the acreage reserve in order to be able to qualify it?

Senator DIRKSEN. Yes, it follows the 15 percent pattern.

Senator HUMPHREY. It does follow that?

Senator DIRKSEN. That is right.

Senator JOHNSTON. I think all of them require 15 percent.

Senator DIRKSEN. Frankly, Mr. Chairman, I have no pride of authorship about this. My only hope, and I am confident that is the hope of all others, is to get some kind of action in time to do some good for the 1957 crop year.

Senator HUMPHREY. The thing I was getting to about your bill is that your 15 percent requirement does not necessarily apply to the allotted acreage of corn.

You only have to set aside an amount of your total land equal to 15 percent of your allotment.

Senator DIRKSEN. That is right.

Senator HUMPHREY. It can be any of your tillable land.

Senator DIRKSEN. Yes.

Senator HUMPHREY. But not necessarily out of the 51 million corn acreage; isn't that correct?

Senator DIRKSEN. Yes. Either to the acreage reserve or to the conservation reserve.

Senator HUMPHREY. There is a difference in approach on some bills where you set aside out of the allotted 51 million acres a certain percentage into the soil bank.

In the others you may set aside certain land, but it does not need to be out of the allotted acreage.

Senator DIRKSEN. That is right.

Senator HUMPHREY. That is your formula?

Senator DIRKSEN. Yes. My principal purpose here this morning, Mr. Chairman, is simply to emphasize the urgency that is involved.

Illinois this year will move into the king row, into the No. 1 position on corn. In addition, of course, it is a hog-producing State, a cattle-feeding State.

You can see what confronts us. When you put it all together the cash income from corn and from livestock and from hogs makes up well in excess of 60 percent of the income of the farmer in these corn States. So you see his whole livelihood, his future, is contingent on whatever we do.

In the case of the Illinois farmers over 80 percent voted for this corn base but inasmuch as the necessary two-thirds was not obtained, we

receded to that lower level. And if you cut 37 percent out of his acreage the inevitable result simply is going to be that he is not going to comply.

I presume if I were a farmer under such circumstances and well over one-third of my capital investment was suddenly taken away on the allotment basis I would say, "Well, I will not comply." I will sell more pigs. I will produce the necessary corn, and I will feed them. And then when the pigs and the calves are ready for market that is when the headaches will really come.

Senator JOHNSTON. You are right.

Senator DIRKSEN. If you destroy the stability in the livestock and the hog markets you know what headaches we have for ourselves sometime in the future.

The committee is far more familiar than I am with this whole problem. In this committee you have given sustained attention to it.

And so I come here this morning simply to indicate that this matter is urgent, that attention is imperative. And I hope that without further delay some action can be taken, that a bill can be reported to the floor, so that when the House has consummated action in this field it can be ready then to go to conference and, probably within a reasonable time period, still get something done for the 1957 crop year.

That is the whole story. I could amplify and elaborate at great detail, but I see no point in it.

Senator JOHNSTON. We are, certainly, glad to have you come here and give your views and just what the situation is. And for your information the subcommittee has some forty-odd bills before it.

So this is one of the first ones we are taking up. There is a group introduced here. I think there are about six bills that we have before us in the subcommittee at the present time.

So we want to get rid of this as quickly as possible because we realize the urgency of the subcommittee.

Senator DIRKSEN. I am grateful to you. I fully realize notwithstanding the early sessions of the Senate, you advanced the time of the committee meeting so we can at least make a start on this.

Senator JOHNSTON. That is right.

Senator HICKENLOOPER, I see you here. Did you want to be heard on this matter?

Senator HICKENLOOPER. Yes.

Senator JOHNSTON. Have you finished?

Senator DIRKSEN. Yes.

Senator JOHNSTON. Go right ahead, Senator Hickenlooper.

STATEMENT OF HON. BOURKE B. HICKENLOOPER, A UNITED STATES SENATOR FROM THE STATE OF IOWA

Senator HICKENLOOPER. Mr. Chairman, I introduced S. 1125 along with my colleague, Senator Martin, Senator Holland, and Senator Hruska.

In brief, S. 1125 simply gives the farmer the opportunity to choose which of the two alternatives he would like to operate under as were submitted in the referendum last year.

In other words, to choose whether to go on base acreage of 51 million acres in the commercial corn area or to go on the acreage allotment which will be around 37 million acres under the existing law.

There would be, as was incorporated in the referendum last year, a differential in support price. For instance, if he chose to go in the 51-million-acre base, the support price would be \$1.31; if he chose to go on the acreage allotment (37 million acres), the support price would be \$1.36.

That would be the same choice that was proposed in the referendum last year.

Senator YOUNG. Would you mind an interruption? Would you explain to us the period that this would cover?

Senator HICKENLOOPER. That is for the crop year 1957.

Senator YOUNG. It would not affect the price support for corn in years afterward?

Senator HICKENLOOPER. No.

Senator YOUNG. It would leave it at 75 and 90?

Senator HICKENLOOPER. No. It is in the nature of emergency legislation for this crop year rather than trying to attempt this year to write permanent legislation for the years following.

My feeling is that this should be adopted or some similar legislation for this year, giving us a little more time to look into permanent legislation for the ensuing years. This is only a bill for this crop year.

What Senator Dirksen has just said I agree with thoroughly. I know that all members of the committee are thoroughly familiar with this general subject.

We have wrestled with it and other subjects along this line for a number of years.

But I do want to emphasize for the record that, first, it is absolutely essential that farmers know at the earliest possible moment what the program is to be. The planning season is, of course, well advanced. The planting season and, especially in most of the commercial corn area, has not begun yet, but it will begin very shortly.

But it is essential that farmers know so that they can plan their operations and know what they are going to do.

As we had called to our attention in this committee a number of times the amount of acreage in corn in the commercial corn area runs very consistently between 56 and 57 million acres.

It seems to take that much corn for our economy, that is, approximately that many acres of land in our commercial corn area to support our feeding operations.

And, as we all know, corn is peculiar in that over 80 percent of the corn is fed right on the farm. Not so much corn goes into the commercial markets so far as trade is concerned as compared to the amount raised.

Corn is a feed crop and it is converted in the main into hogs and cattle and some other types of livestock.

My own view has been that the realistic approach to an acreage level is 56 million acres as a base. However, as we all know, it does not seem practical to get the votes for 56 million; 51 million is about the amount that seems to meet the greatest favor. So in my bill I have included 51 million acres as the base acreage.

In this bill the farmer who elects to take his base acreage based on 51 million acres in the commercial corn area would have to put in an acreage equal to 15 percent of his base acreage into the soil bank.

If he took the 37 million acre base or acreage allotment which is

the provision in the present law as it now exists he would not have to go into the soil bank.

Senator YOUNG. What do you mean by soil bank—you mean acreage reserve——

Senator HICKENLOOPER. The whole——

Senator YOUNG. Or the conservation reserve—either one.

Senator HICKENLOOPER. The acreage reserve. He can go into the conservation reserve, too, if he wants to but he would have to put an amount equal to 15 percent base acreage of corn—an amount equal to that out of his farm into the soil bank.

He could put it into the conservation reserve or he could put it into—out of his corn acreage he could reduce it below his 51 million acre base acreage allotment and he could reduce his corn acreage and get paid on the basis of corn acreage retired.

There is an analysis of S. 1125 on this sheet which is before the committee.

It also provides that there will be a support for the 1957 crop of corn outside of the commercial corn area of 82.5 percent of the average price support in the commercial area.

One of the advantages I believe of this bill and of others that are in here is, of course, throughout the commercial corn area the Department of Agriculture knows each farm now as to what its acreage would be under the base acreage or the acreage allotment.

Those statistics are all available in the county offices at the moment and have been since last year.

So that this bill, if it went into effect immediately, would cause no delay. It has been referred to as the "corn planter bill."

Let the farmer decide which route he wants to take in his planting operation—if he wants to go under the 51 or the 37 million acres.

The important thing, Mr. Chairman, is the urgency of getting legislation as soon as possible so that planting can be undertaken.

I want to say, also, we have, I believe here Mr. Hamilton, Mr. Jorgansen and Mr. Stockdale. We have some very outstanding farmers from Hampton, Iowa, here this morning, Mr. Chairman. They have been devoting a great deal of time independently to a plan of their own.

They have conferred with farm experts of various types and kinds. And they have a presentation of a program which has a great deal of merit and in some ways is rather an unusual approach to this matter.

I just want to say to you that they are here and in due course you will be hearing from them because they are on the program this morning.

I do not want to take any more time of the committee, because, as I say, the committee is familiar with the necessity of this matter and the urgency of it.

I am not completely wedded to just one particular bill, but I am concerned, as we all are, that a sound, workable bill for this year be passed and one that is satisfactory be passed at the earliest possible moment.

Senator JOHNSTON. I want you each to know, if you have anything that you want to submit to supplement your statement send it in and it will be put in as if you had spoken to the committee.

Senator HICKENLOOPER. As a member of the Senate Agriculture Committee I hope that I may indulge the hospitality of the subcommittee, because I would like to listen to the presentations that are made here this morning.

Senator JOHNSON. You may do so.

I see we have Senator Martin of Iowa here, too. I am going to have to leave at this time. I am presiding at one of the other committee meetings at 10 o'clock. So I will go and open it. I will ask Senator Humphrey to take over while I do that.

Senator HICKENLOOPER. May I just present this statement by Senator Hruska?

Senator JOHNSTON. You may have that put in the record.

STATEMENT FILED BY THE HONORABLE ROMAN HRUSKA, A UNITED STATES SENATOR
FROM THE STATE OF NEBRASKA

As a cosponsor of S. 1125, I would like to submit a brief statement on behalf of this legislation, introduced by Senator Bourke Hickenlooper.

S. 1125 would apply only to the 1957 corn crop and would enable corn producers to participate in the soil bank and price support program.

The corn program proposed in this bill is not the complete answer to all the problems of commercial corn and feed grain producers. It is admittedly a stop-gap program applying only to the 1957 crop. But it is a desirable and logical stop-gap program.

S. 1125 would authorize participation by corn farmers in the commercial corn area in either of the alternative programs presented in the December 1956, corn referendum.

Of the 437,480 voting farmers on that referendum, 61½ percent favored the base acreage program with the remaining 38½ percent favoring the acreage allotment program. Since two-thirds approval was required to institute the base acreage program, the acreage allotment program based on 37½ million acres was reestablished. Despite this outcome, no one would claim that this program has wide support in the commercial corn area. It was most unfortunate that a two-thirds vote was required in this referendum. Personally, I think we would have been much wiser to have provided for a simple majority.

In light of the fact that this is a stop-gap program, several factors should be emphasized.

The first is the need for getting this program into operation as soon as possible. Planting season is not far off. Mail coming into my office in the past few days with questions concerning the corn program indicate that many farmers are beginning to make their planting plans.

Once this program is signed into law, it can be put into operation almost immediately on the basis of the written notice sent each corn farmer of the alternatives voted on in the December referendum. These alternatives are exactly the same as provided in S. 1125.

It is my urgent hope, therefore, that prompt approval be voted this bill by this committee and by the Senate.

Second, this proposal should be kept clear of complicating and deterring factors. As printed, this bill takes up only 17 lines to accomplish its limited objective—the providing of a 1957 corn program.

Inclusion of provisions which are not directly related to that basic purpose would not only prolong its consideration in Congress but endanger its greatest asset—that it can be put into almost immediate operation after it is signed into law.

Without this program, and especially in areas not affected by drought, indications are that soil-bank participation by corn farmers will be materially reduced this year. If the program is adopted, it seems clear that a majority of the corn farmers will participate.

Since voting in the December referendum fell only slightly short of a 2-to-1 majority favoring the base acreage program, it is my belief that this program should be speedily enacted into law. I respectfully urge the committee to do all it can to reach that objective.

**STATEMENT OF HON. THOMAS E. MARTIN, A UNITED STATES
SENATOR FROM THE STATE OF IOWA**

Senator MARTIN. Mr. Chairman, I have the honor in joining with Senator Hickenlooper and Senator Holland in cosponsoring S. 1125, which is before you along with these other bills.

I appreciate this opportunity to present a brief statement with regard to the corn program. As a representative of one of the principal corn-producing States of the Nation, I'm sure you can understand my great interest in seeking a solution to this problem.

It is getting very late. Within a short time farmers will begin planting corn. In many areas of the country intense preparations are already being made.

The farmers throughout the commercial corn producing area had an opportunity last fall to express their views with regard to a corn program. Sixty-one and five-tenths percent of the farmers voting expressed a desire for a corn program that would afford them an opportunity to participate in the soil bank.

I am anxious, as I'm sure all members of this committee are, to find a more permanent solution to the whole feed grain problem.

However, it is my best judgment that the legislative situation is such that this will not be possible in time to be of any benefit to corn producers in the commercial area this year.

Our objective should be—and let me assure this subcommittee that it is my objective—to work for programs designed to reduce the production of surplus feed supply. Our objective in 1957 should be to reduce production of corn and other feed grains as much as possible through the utilization of the acreage reserve provision of the soil bank.

Unless we get some change in the present corn program, there will be very little reduction in corn production in 1957. Farmers in the commercial corn area—and this is particularly true in my State of Iowa—simply will not comply with the acreage allotment of 37.3 million.

I strongly recommend, therefore, that we pass S. 1125, which I had the opportunity of cosponsoring with other Senators, as a temporary measure designated to meet this problem in 1957.

This bill simply gives the farmer an opportunity to choose either his share of 37.3 million acres base allotment at a price support of \$1.36 per bushel without participating in the soil bank, or his share of 51 million acres base allotment at a price support level of \$1.31 per bushel requiring that he put an acreage equivalent to 15 percent of his corn base in the soil bank.

This bill is simple and it has the added desirable feature of not requiring a lot of extensive administrative work because the farmers now have in their hands their allotments based on the 37.3 million acres and the 51 million acres.

I would strongly urge that the committee adopt this bill as a temporary measure designed to meet our immediate needs and permit us to find some permanent solution in 1957.

I pledge my full efforts to this committee to work diligently for a permanent solution to the corn problem.

That is the end of my prepared statement.

I have examined very carefully the bill that is to be before the House of Representatives within a few days for general discussion and there are some points in that bill that need far-reaching revision before they will be acceptable to the corn farmers of Iowa, and in the process of putting that bill through to enactment and into law I fear that we will have a large part of our corn in Iowa planted.

Senator HUMPHREY. Senator Martin, as you know, the Department of Agriculture on March 1 issued a bulletin to the Secretary that farmers should know that the closing date for corn, spring wheat, and rice acreage reserve agreements is March 8.

Do you have any feeling that the Department might well extend that closing date?

Senator MARTIN. Under extreme necessity, yes; they may find it absolutely necessary to extend that period.

From an administrative point of view their order is very desirable considering the time it takes to put a program into full effect in detail.

But we are faced with a serious situation here now where we still as a Congress should write a farm law and I cannot imagine even this bill I am sponsoring being signed into law in time to meet that deadline.

Senator HUMPHREY. I do not see how, no matter what we do here, we could meet that deadline, particularly in the light of the House proposals which are going to cause some delay.

Let us put it that way, to be most gracious about it. Even in conference—even if we passed S. 1125 or any one of the bills before us—there will be a little time-consuming conference.

Senator MARTIN. I think we have a duty to proceed to enact a law that is fair and workable at the earliest possible date and in time to enable the Department of Agriculture to develop new regulations in time to be administered properly for the current crop year. That is our immediate concern in the corn belt.

I know that the Department of Agriculture will cooperate with us to the limit to that end. That would require new regulations and changing the March 8 date, of course.

Senator HUMPHREY. Is there anything else?

Senator MARTIN. That is all.

Senator HUMPHREY. Thank you very much.

I want to note for the record that Senator Case has made available to the subcommittee his statement in support of his bill, S. 1014, and the gist of the first paragraph is emphasizing the urgency to the committee and the Congress to pass legislation, as has been emphasized here by other witnesses.

It will be made a part of the record.

STATEMENT FILED BY THE HON. FRANCIS CASE, A UNITED STATES SENATOR
FROM SOUTH DAKOTA

I appreciate this opportunity to present my views on my bill S. 1014, which would provide a corn allotment of 51 million acres, during the life of the acreage reserve program, along with a price-support floor of not less than 75 percent of

parity. I would also like to thank the subcommittee for holding hearings on these various corn bills at this time so that a corn program can be developed for the Nation's farmers as soon as possible.

I am sure that the committee will hear many expressions during these hearings with respect to the corn situation throughout the country, so I will take this opportunity to review the impact of the present corn program on the State I represent, South Dakota.

As a result of the recent corn referendum, South Dakota's corn allotment for 1957 will be 1,948,675 acres. The following table indicates how this compares with other years along with other pertinent information:

Year	Acres planted	Allotment	Compliance
			<i>Percent</i>
1955.....	3,069,090	2,726,309	42
1956.....	¹ 2,900,000	2,319,492	41
1957.....	¹ 3,045,733	1,948,675	?

¹ Estimate.

Actually South Dakota farmers are experiencing a 40 percent cut in corn allotments which will certainly encourage more noncompliance with the various programs. This acreage cut can better be demonstrated with this illustration of a farmer who traditionally planted 100 acres of corn:

	<i>Acres</i>
Traditional planting.....	100
1956 allotment	87
1957 allotment	60

It is very evident, therefore, that the present acreage allotment program is unrealistic. South Dakota only had about 40 percent compliance in 1955 and 1956. It will certainly be much less in 1957. Farmers can't operate under the present reduced acreages. They are being forced to go outside of the allotment program. I have received many letters and telegrams from South Dakota farm people who share this feeling.

FARMERS WANT PRICE SUPPORT FLOOR

It is true that the voting farmers in the corn referendum in South Dakota voted for the allotment plan which called for the reduced acreages; however, they were almost in a position where they had no choice but to vote for the allotment plan with less acres in order to save the price support floor—something in which the farmers in my State strongly believe.

That is the reason why the so-called base acreage plan failed to get a two-thirds majority. Farmers in my State voted against it because there is no floor in it for the support loans. Under the base acreage plan, the Secretary of Agriculture could place supports anywhere from 0 to 90 percent of parity. In the allotment plan, the farmers could vote for 75 percent floor, something which they wanted to preserve.

The corn referendum vote for South Dakota is as follows:

Choice	Vote	Percentage ¹
Base acreage.....	4,685	27.1
Allotment.....	12,584	72.9

¹ Eligible voters voting, 33 percent.

I would like to present excerpts from several letters sent to me which support the view that farmers wanted a floor in the price-support structure:

(1) A Harrisburg, S. Dak., farmer said, "Now in the past controversy over acre allotment, we were given the choice of one or the other. Neither looked too good but we voted to keep the support price of which I was in favor. We are now, then, looking for ways to improve the allotment plan."

(2) An Arlington, S. Dak., farmer reported this, "The corn referendum indicates without a doubt that farmers want firm price supports. Further legislation is needed in this session as I am sure you realize."

Following the referendum, press reports from the Department of Agriculture indicated that they might recommend enactment of the exact program which failed to get the needed two-thirds majority which would have meant that price supports could have been placed anywhere from zero to 90 percent of parity.

So on December 29, 1956, I wrote to President Eisenhower and urged that "A support floor of at least 75 percent of parity be put into any corn legislation he may recommend to Congress as well as an increase in acreage proposals from the 37 million acres allotment now in prospect."

In that same letter I said that, "A farm program which cannot carry a basic commodity like corn, planted on a limited acreage, at a support loan of 75 percent of parity is no program at all. Certainly it is not worthy of an administration which has said that farmers should get full parity in the market. They would again become the victims of speculators who would buy in the depressed market of seasonal gluts."

Because of these reasons, Mr. Chairman, I have asked for a support floor of no less than 75 percent of parity in my bill, S. 1014. We must build a corn program which starts at that point and not at a possible zero.

Another very disturbing feature of the reduced acres of the allotment plan for corn is the effect it will have on participation in the acreage reserve of the soil-bank program. It is true that the present sign-up for corn for the acreage reserve has been very heavy and resulted in limited participation to 20 acres or 30 percent of the allotment, whichever is larger, however, that doesn't mean that there are no problems.

TYPICAL CORN FARMER'S PROBLEM

A farmer recently told me about this situation which may well represent the feeling of many farmers out my way. This farmer had an allotment of about 89 acres last year but it was reduced to 67 acres this year.

In 1956 he could have placed 50 acres or 50 percent of his allotment into the acreage reserve and assumed that it would be the same for 1957. But in 1957, not only was his allotment reduced but he also was limited to the amount he could place in the acreage reserve of the soil bank.

So this farmer now finds himself in the situation where he can't make a decent living off 67 acres of corn and he can't put more than 22 acres into the acreage reserve. This farmer figured that it would not pay to put 22 acres into the acreage reserve and farm the other 45 acres of corn, even if he could stay in the program. However, with 89 acres he would have been in a much better position to live with the corn program.

So this farmer now plans to plant about 100 acres of corn. He says he may have been able to comply at 89 acres but with the lower supports for 1957, he needs the extra acres to be able to derive enough income to meet the increased prices for the things he buys.

THERE WILL BE WITHDRAWALS

Another disturbing factor is that many of the people who did sign up on the limited 20 acres or 30 percent of the allotment, whichever is larger, may withdraw before the March 8 deadline for the acreage reserve sign-up. Many of the signers were hopeful that Congress would raise the allotments before the deadline—or that the Department will extend the deadline until the choices are known.

I have a report that the county ASC committee of Union County, S. Dak., is "Of the opinion that most of the corn farmers will cancel out before March 8, because the 37 million acre quota with the formula of 30 percent of the total allotment or 20 acres as the maximum amount of corn acres any farmer can have, just doesn't fit the bill. Farmers in this county would sign up on the same scale that they did last year, if we had last year's allotment".

If farmers can't comply with acreage allotments because they are too low and therefore can't comply with the acreage reserve, just how is it possible to reduce corn surpluses or have an effective corn program? The present allotment actually discourages compliance.

Unfortunately, the net result is that we seem to have no program at all and that certainly was not the intent of Congress when they approved the Agriculture Act of 1956.

Many of the farmers in the commercial corn counties in my State make their living off corn. They can't do it if they stay in the present allotment program. Yet, I know that these same farmers would like to help control surpluses and stay in the program, but it is impossible for them to do so. These farmers, therefore are forced into a position where they must ignore these programs and grow corn in amounts which further adds to the unwieldy problem surrounding corn.

MORE SOIL BANK PAYMENTS IN SURPLUSES NEEDED

I did introduce another bill, S. 1441, on March 1, 1957, which would permit farmers to at least participate beyond the 20 acres or 30 percent of his allotment up to 50 acres or 50 percent of his allotment so that the soil bank would be made more attractive to the corn farmers.

This second bill would permit farmers to sign-up for the 20 acres or 30 percent of their allotment for a cash contract and then put in additional acres up to 50 acres or 50 percent of their allotment by agreeing to accept payment in kind which in this case would be Government-owned surplus corn. In no case would the farmer receive less in dollar value in corn than he would receive in cash at the time of payment.

Many farmers have been under the impression that they could put 50 acres or 50 percent of their allotment, whichever is larger, into the acreage reserve as they did in 1956.

ACTION NEEDED NOW

Mr. Chairman, I received a telegram from one of our grain elevator operators from Mitchell, S. Dak., which well sums up the situation in my State with respect to the attitude to the present corn program:

"Immediate action one way or the other imperative regarding corn acreage. Farm customers say present status of program make intelligent decisions impossible. Planting time just a few weeks away. The farmers of South Dakota insist on immediate action."

To sum up, the best chance for a more workable program is to raise the corn allotment to 51 million acres or to 52 million if the addition of the extra counties in the commercial corn area stands. This would encourage more compliance and more participation in the soil bank. That was the intent of the Agricultural Act of 1956. Secondly, we must assure the farmers that there will be a price support floor of no less than 75 percent of parity. Lastly, we must make it possible for our corn farmers to participate in the acreage reserve up to at least 50 acres or 50 percent of their allotment, whichever is larger. This we can do if we pay the farmers surplus in kind above their present limited sign-up of 20 acres or 30 percent of the allotment, whichever is larger.

Let's do these things to keep faith with the farmers of South Dakota and the Nation. I am sure that the situation I have described for South Dakota is prevalent in many of the commercial corn counties in the Nation. I would again like to thank the committee for this opportunity to present my views on this matter.

Senator YOUNG. Senator Martin and Senator Hickenlooper, you apparently do not think that many of the farmers will abide by acreage allotments for corn?

Recently, I have had reports that in some areas of the Corn Belt, particularly in the western part, that a sizable number of the farmers will participate, but that they will use use their diverted acreage to plant grain sorghums which will be equally bad. This will result in the total production of feed grains being about the same as if you had not allotments at all.

That is the latest information I have. It is particularly true of the western corn area.

Senator HUMPHREY. I think Senator Carlson could answer that better than some of the rest of us.

I understand that grain sorghum now is a very good substitute for corn.

Senator MARTIN. Diversion of corn acreage to feed grain production other than corn in the last few years has not been very heavy in the State of Iowa.

It might go a little stronger now. I cannot predict for the coming season, but the total acreage of corn notwithstanding the allotments that are passed have been in the neighborhood of 56 million acres for the commercial Corn Belt.

That indicates there has not been a tremendous shift of corn acres into feed grain production other than corn.

Senator YOUNG. In my area I think a great deal of the diverted acreage will go into the soil-bank program, but I understand further south where the sorghums are very good crop, and they will get rain, they are more apt to put these diverted acres into grain sorghums.

Senator MARTIN. The great transfer of acreage we know full well has been of cotton and wheat acreage into production of feed grains.

Senator YOUNG. I think we are facing a dangerous situation, which might result in an oversupply of feed grains. And feed grains are bound to mean cheap cattle and cheap hogs.

Senator MARTIN. If you were to give us the same yardstick of acreage for corn that they have suggested in the House bill for feed grains, the highest acreage planted in the last 3 years, and work for that base, we might reduce our corn acreage.

That was the idea basically behind Senator Hickenlooper's suggestion last year in the corn bill, to get a higher acreage base, and then make it more acceptable to the farmer on a voluntary basis. That would get closer to it, I imagine, than with the 37.3 allotment.

Senator YOUNG. I feel very strongly about it. I think this committee ought to take action at the earliest possible time to get some kind of a bill out.

Senator MARTIN. I agree very strongly on the matter except I want to examine most carefully the yardstick you use for the subsidy on top of the subsidy for the wheat and cotton acres that have recently been transferred into production of feed grains.

Senator YOUNG. If you wait for the perfect bill to come out of this committee you probably won't have any legislation.

If this committee reports as good a bill as it can to the Senate floor within a few days, it can probably be amended there and further in conference with the House.

Senator MARTIN. That is it exactly. That is why I came to the committee suggesting this bill that I cosponsored with Senator Hickenlooper as the bill that could be administered with very quick adaptation by the Department because all of the allotments are in the farmer's knowledge and possession today, for the 37.3 and for the 51 million allotments.

And I think it could be put into operation successfully if we would quickly enact this bill that Senator Hickenlooper and I have cosponsored. This would provide a program for the current year only, and then we could develop a long-range program.

I do not think we can possibly expect to reach a long-range solution in the time we have left before corn planting.

Senator HUMPHREY. Thank you, Senator Martin.

Senator MARTIN. Thank you very much indeed.

Senator HUMPHREY. Senator Carlson, did you wish to make a presentation?

STATEMENT OF HON. FRANK CARLSON, A UNITED STATES SENATOR
FROM THE STATE OF KANSAS

Senator CARLSON. I am here as a guest of the committee and on the invitation of the chairman. I do want to commend the chairman and the committee for holding these hearings. I think it is important that we have legislation increasing the base corn acreage.

I know some of the problems we are going to have when we start dealing with it, because we have 23 commercial counties in Kansas and I have been watching a very definite trend of grain sorghums and and the other feed grains into our corn countries. It is one of the problems we will have to deal with.

It is my contention that under the present program we are forcing a shift in the production of grain crops from the areas which can and should produce these crops logically and economically to the areas where acreage allotments have made land available for production of feed crops. This is only natural, but I do think it presents a problem that must have the attention of this committee and of Congress.

While we in Kansas have been forced to take great reductions in wheat acreage as a result of the allotment program, we have at the same time increased our acreage of feed grains. On the other hand, there has been a substantial increase in the production of wheat in normal corn producing States. For instance, in the State of Illinois in 1956, there were over 10,000 new wheat producers that took advantage of the 15-acre exemption which is outside of the allotment program.

It is not an easy problem, I assure you. And I do think that something, at least some attention should be given to it.

But I would not want to get myself in the position where we could not deal with the feed grains at the same time, if necessary.

Senator HUMPHREY. Thank you very much, Senator Carlson.

Senator Scott, did you have any special presentation you wanted to make?

Senator SCOTT. No.

Senator HUMPHREY. I believe that takes care of the Members of Congress who have appeared.

Are there any other Members of Congress here? I do not see any.

Senator HICKENLOOPER. I filed Senator Hruska's statement.

Senator HUMPHREY. And Senator Case of South Dakota's statement. We will hold this portion of the record open for any other Members of Congress to file statements.

I think it should be noted that some Members were somewhat dubious whether we would have these hearings in the light of the meeting of the Senate today.

I am sure that some of them have planned on sending in statements because they thought we might not have a hearing.

Senator HICKENLOOPER. I think Congressman Schwengel is on the list here this morning.

Senator HUMPHREY. Yes, when he arrives. I think we will proceed with the Assistant Secretary of Agriculture, Mr. Marvin L. McLain.

Mr. McLain, we welcome you to the subcommittee and look forward to your testimony.

STATEMENT OF HON. MARVIN L. McLAIN, ASSISTANT SECRETARY
OF AGRICULTURE

Mr. McLAIN. Thank you, Senator Humphrey and members of the subcommittee.

If I have your permission, I have about a 3- or 4-minute statement I would like to get into the record.

Senator HUMPHREY. Without interruption, go right ahead.

Mr. McLAIN. It will give our current feeling in the Department because it has changed slightly since the very beginning and I think you ought to be aware of that right at the very beginning.

Senator HUMPHREY. Thank you.

Mr. McLAIN. I would like to take this brief opportunity to summarize the Department of Agriculture's position relative to new corn legislation.

You will recall that in January the President requested Congress to do something about this problem. On January 29 the Secretary of Agriculture came before this full Committee on Agriculture in the Senate and analyzed the problem and suggested specific legislation to remedy the problem that arose for corn farmers.

On January 30 I appeared before the full House Committee on Agriculture and did the same thing on the House side.

The following comments are a followup of this testimony and are in line with the Department's present thinking:

1. It is imperative that the soil-bank program achieve its objective with respect to corn as well as other basic crops under the soil bank.

This objective is to reduce production. The current program available to corn farmers will not do this. As a matter of fact, it is likely that corn acreage will be increased.

A change is needed.

2. The immediate effects of continuation of the present corn-allotment program will be felt first by corn farmers and other farmers who sell feed grains.

However, even more important, the secondary effects will be felt by livestock, dairy, and poultry producers in every agricultural county.

Livestock, dairy, and poultry sales provide about 55 percent of the cash income from marketing by farmers.

3. Estimated carryover at the end of this marketing year of 14,475 million bushels of corn, practically all of which will be owned by CCC, will be extremely costly to carry in storage and will bear down on the entire agricultural price structure.

The \$217 million budgeted for approximately 5 million acres of corn under the soil bank is a wise investment under these circumstances, since it will cost both the Government and the agricultural economy much more if the production from 5 million acres is moved either into the markets or through feed channels.

4. It is our recommendation that the administration bill containing a minimum and maximum of 70 to 90 percent of parity, respectively, be approved. This bill is before your body in S. 1013. It provides for a corn base of 51 million acres for duration of soil bank. It also requires 15-percent participation in either the acreage reserve or conservation reserve to be eligible for price support.

5. The corn loan in the noncommercial corn area under the administration bill would be $82\frac{1}{2}$ percent of the commercial corn-area support level, rather than 75 percent as provided by the present law. This would increase supports by 6 cents per bushel in the noncommercial corn area.

6. Because of the requirement that producers comply with all acreage allotments in order to be eligible to participate in the soil-bank program, producers of wheat, cotton, and tobacco in the commercial corn counties will be at a serious disadvantage unless the base-acreage program is adopted for corn.

7. With respect to whether or not price support will be made available to noncooperators in the absence of any new legislation, certainly we would not stand idly by in the case of a collapse of corn and other feed-grain prices.

However, in the determination of the level of or the need for price support to noncooperators, we would take into consideration the most recent reports on livestock production, plantings intentions, rates of disappearance, and other factors.

Our major objective here would be to act in the best interest of grain and livestock farmers as well as other segments of agriculture.

8. With respect to the 1957 level of price support to cooperators under the proposed administration bill, it should be noted that under the same criteria we announced a price support of \$1.31 per bushel prior to the December 11, 1956, corn referendum.

In the event of the passage of the administration bill, we intend to provide price support in 1957 at this level to cooperators. This is what 61 percent of the corn farmers who voted favored. We will heed their counsel. This \$1.31 was 74 percent of parity at the time it was announced.

9. In event our bill S. 1013 is not acceptable to this committee, we are willing to accept the provisions of the (revised) Andresen bill, H. R. 3011, now H. R. 5447. We are also prepared to accept S. 1125, the 1-year extension of Hickenlooper and others.

10. It is imperative that we have prompt action if any new bill is to be of much value to corn farmers in 1957.

Senator HUMPHREY. Mr. McLain, the first question I want to ask is this: Is it not possible for the Department to set aside this deadline date a little bit?

It is rather peculiar that, with the number of bills being introduced and the deep concern being expressed by Members of Congress, all bills being introduced before March 1, that the Department summarily went ahead and announced retaining the March 8 deadline on March 1 without any regard to the wishes of Congress.

Mr. McLAIN. I would like to read this press release, Senator Humphrey, so that can explain it.

Senator THYE. Mr. Chairman and Mr. McLain, may I interrupt?

I wrote the Department of Agriculture, I believe, about 10 days ago. I do not have the letter here at present. In that letter I set forth several reasons why I thought it was necessary that we set the date back from that of March 8 to a later date for reasons that we know you are not going to get compliance, and without compliance to the maximum you are not going to resolve the surplus of feed grains. I tried to set that out in my letter.

Second, we have all of these bills here of which members of this Agriculture Committee are sponsors. Until such time as action is taken on these bills, I think the farmers are justly entitled to a deferred date on making their decision whether they sign up under the present 37 plus million acres. I therefore hope that the news release you will refer to will give us some encouragement as to a deferment.

And, Mr. Chairman, while I am speaking, I want to call your attention to a bill, S. 1449, introduced by myself and Senator Capehart on March 2, that proposes a 51 million farm allotment.

It does preserve the 75 percent, and it provides for 15 percent to go into soil bank. You have that bill now before you.

Senator HUMPHREY. It should be listed along with the other bills.

Senator THYE. Yes; because it was introduced last Saturday, March 2.

Senator HUMPHREY. That 15 percent, is that to come out of the allotted acres?

Senator THYE. It comes out of the base acreage.

Senator HUMPHREY. That is allotted to corn?

Senator THYE. Yes, sir; it does. It is the duplicate of the Andresen bill.

Thank you, Mr. Chairman, and Mr. McLain, for permitting the interruption.

Senator HUMPHREY. I want at this moment to make note of the fact that Senator Case has arrived. We did put your statement in the record, Senator Case.

Senator CASE. I appreciate that very much, Mr. Chairman. I wonder if you would also include the bill, S. 1441, which I introduced on the 1st of March.

Senator HUMPHREY. Yes, S. 1441.

Senator CASE. That is in addition to the other bill, S. 1014, dealing directly with acreage.

Senator HUMPHREY. I shall ask the staff to include Senator Thye's bill and your bill, sir, along with this analysis, so that the analysis may be complete in the testimony.

(The analysis is herewith inserted.)

Senator THYE. Mr. Chairman, the one addition that I want to make in the explanation is this:

The 15 percent can either come out of the base, or you can have put into the conservation reserve 15 percent of other tillable acres at a lesser price or rental per acre.

Senator HUMPHREY. That was my impression.

Senator CASE. The bill which I think you have included was S. 1014.

Senator HUMPHREY. That is correct.

Senator CASE. That is a matter of the national corn allotment of 51 million acres and minimum support of 75 percent. And I think it is wholly consistent with the bill which Senator Thye and Senator Capehart have suggested.

But the other bill that I mentioned, S. 1441, deals primarily with the amount of acreage that a farmer might put into the soil bank. It contributes to the others in this respect.

As the regulations are now announced for my State the corn farmer may put up to 20 acres or 30 percent of his allotment into the soil bank and receive a contract which would pay him cash for that participation.

SENATE COMMITTEE OF AGRICULTURE AND FORESTRY

Staff comparison on corn acreage allotment bills pending before the committee on Mar. 4, 1957, and H. R. 4901

	Existing law	S. 829 (Dirksen)	S. 1013 (Ellender (by request))	S. 1014 (Case)	S. 1076 (Mundt)	S. 1125 (applicable to 1957 crop only) (Hickenlooper, et al)	S. 1362 (Humphrey et al.)	S. 1441 (Case)	S. 1449 (Thye)	H. R. 4901 (applicable to 1957 crop only, except in increasing the acreage reserve limit)
acreage restrictions in commercial area.	Acreage allotments as determined under sec. 328 of AAA of 1938 (37,288,889 acres for 1957).	51,000,000 acre base acreage for 1957 and for any year in which a corn acreage reserve program is in effect. No acreage allotment for 1957 or any subsequent crop.	Same as S. 829	Same as S. 829, except that acreage allotments under existing law would be effective when no corn acreage reserve program is in effect.	Same as S. 829, except that (1) base acreage would be 52,000,000 acres and (2) acreage allotments under existing law would be effective when no corn acreage reserve program is in effect.	(1957 crop only.) 51,000,000 acre base acreage or 37,288,889 acre acreage allotment at the election of each producer. Senator Hickenlooper explained (Congressional Record p. 1496) that a farmer planting within his farm base acreage would be eligible for \$1.31 price support if he put an acreage equal to 15 percent of his base acreage into the soil bank. Farmers planting within their acreage allotments would be entitled to support at \$1.36.	Not less than 51,000,000 acre allotment for 1957 and all subsequent years; but for any crop for which an acreage reserve program is in effect producers could not plant more than 85 percent of their allotments if they would qualify for price support. (After 1957, increase in allowance for carryover, described below, would tend to increase allotment).	No provision	Not less than 51,000,000 acre allotment for 1957, 1958, and 1959. Acreage allotments under existing law would continue after 1959.	(1957 crop only.) Not less than 43,200,000 acre allotment. ("Feed grain acreage" equal to 18 percent of basic commodity allotment may be put in acreage reserve at rates and as described below.)
Extent of soil bank participation required for corn price support in commercial area.	None	(Whenever base acreage in effect.) Acreage equal to 15 percent of corn base acreage must be devoted to either acreage reserve for corn or conservation reserve.	do	Same as S. 829	Same as S. 829	(1957 crop only.) Producer exceeding acreage allotment, but keeping within base acreage must devote acreage equal to 15 percent of corn base acreage to either acreage reserve for corn or conservation reserve. Producer keeping within allotment is not required to participate in soil bank.	(Whenever acreage reserve program for corn.) Acreage equal to 15 percent of corn allotment must be devoted to either acreage reserve for corn or conservation reserve. Producer is also restricted to 85 percent of his allotment.	do	(Whenever an acreage reserve program in effect for corn.) Same as S. 829.	None.
Corn price support to co-operators in commercial area.	75 to 90 percent of parity (\$1.36 for 1957).	Discretionary	70 to 90 percent of parity for any crop for which acreage reserve program in effect. Discretionary for other crops.	Not less than 75 percent of parity for any crop for which acreage reserve program in effect. 75 to 90 percent of parity for other crops.	75 to 90 percent of parity.	(1957 crop only.) \$1.36 to producers complying with allotments; \$1.31 to producers meeting base acreage and soil bank qualifications.	(1957 crop only.) Not less than \$1.50 for not to exceed 16,000 bushels. Senator Humphrey stated (Congressional Record p. 2210) that this would limit support loans to 16,000 bushels from anyone producer. 75 to 90 percent of parity after 1957. After 1957, the increase in allowance for carryover, described below, would tend to increase the price support level.	do	75 to 90 percent of parity (\$1.36 for 1957).	75 to 90 percent of parity (\$1.36 for 1957).
Corn support in noncommercial area.	75 percent of level in commercial area.	82½ percent of level in commercial area whenever base acreage in effect. No distinction between commercial and noncommercial areas when base acreage not in effect.	Same as S. 829	82½ percent of level in the commercial area whenever base acreage in effect. 75 percent of commercial area level when base acreage not in effect.	Same as S. 1014	(1957 crop only.) 82½ percent of the average price support in the commercial area.	75 percent of commercial area level.	do	75 percent of commercial area level.	75 percent of commercial area level.
Limit on quantity of corn eligible for price support. Allowance for carryover in definition of "normal supply."	No limit	No limit	No limit	No limit	No limit	No limit	(1957 only.) 16,000 bushels.	do	No limit	No limit.
	15 percent of consumption and exports.	No change	No change	No change	No change	No change	30 percent of consumption and exports. (This would tend to increase the acreage allotment and price support level. This is intended to be effective beginning with the 1958 crop.)	do	No change	No change.
Acreage reserve program for acreage diverted from basic commodities.	None	None	None	None	None	None	None	do	None	(1957 crop only.) Individual farms may participate in an acreage reserve program for diverted acres to the extent of the lesser of— (1) an acreage equal to 18 percent of the farm allotments (or 1 acre, whichever is greater) or (2) the acreage by which the 1957 acreage of "feed grains" on the farm is less than the highest acreage planted to "feed grains" in 1954, 1955, or 1956. "Feed grains" are corn produced outside the commercial corn-producing area, wheat produced on farms to which marketing quotas are not applicable, grain sorghums, barley, rye, oats, soybeans, and flaxseed. Compensation per acre would be equal to the greater of— (1) the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn for the county, or (2) 60 percent of the support price, multiplied by the county normal yield, for the feed grain the acreage of which is reduced. Compensation would in no event be less than \$10, or more than \$50, per acre. (1957 crop only.) Secretary directed to carry out acreage reserve program for 1957 crop of "feed grains" (as defined above). Compensation would be \$15 per acre. Producer would reduce his "feed grain" acreage below 85 percent of the highest acreage planted to "feed grains" in 1954, 1955, or 1956 less the acreage placed in the acreage reserve for diverted acres. \$1,000,000,000 ("feed grain" acreage reserve limit of \$300,000,000). This \$1,000,000,000 limitation is not applicable to the diverted acreage reserve program, which might therefore bring the total acreage reserve program to an amount in excess of \$1,000,000,000.
Feed grain acreage reserve	do	do	do	do	do	do	do	do	do	
acreage reserve limit	\$750,000,000	No change	No change	No change	No change	No change	No change	The Secretary shall permit additional participation to the extent necessary to carry out the goal or desirable to allow fullest possible efficient participation by producers, if producers agree to accept payment in grain as provided in sec. 105 (a) (2) of the act for such additional participation.	No change	

My suggestion in S. 1441, is that he could go in for 50 acres or 50 percent of his allotment, as he could have last year, and be paid for the difference between the present maximum of participation and the 50 acres or 50 percent by taking payments in kind, that is, taking payments in corn.

I suggest that for the consideration of the committee because it seems to me to contribute two things:

First, a reduction of corn in storage; second, a reduction in production of new corn.

If we don't do something like that you will have that much more corn and corn will stay in the bins. If we continue this limitation in soil-bank participation the farmer will have to plant the difference between the 20 or the 50 acres or the difference between the 30 and 50 percent of his allotment. My bill provides a way to maintain the goal of reducing production until we no longer need corn allotments.

So it seems to me that it is desirable to consider S. 1441 in connection with the other bills.

Senator HUMPHREY. Let me ask this question. Did you have an explanation of that bill at the time you introduced it in the record?

Senator CASE. Yes, I did. It is also in the statement which you have placed in the record.

Senator HUMPHREY. We will have the staff analyze that bill along with the others so that the whole record is complete.

I wanted to make note that Representative Fred Schwengel is here with us from Iowa. Just as soon as Mr. McLain has finished we will hear from you, unless you desire to go ahead.

Representative SCHWENGEL. I prefer to wait.

Senator HUMPHREY. I thought we would continue on with the Assistant Secretary.

Representative SCHWENGEL. Thank you.

Senator HUMPHREY. Go right ahead.

Mr. McLAIN. I would like to comment on this press release because there is nothing in this that will not permit a complete reopening of the whole corn program in the event we get new legislation.

We were faced with a very real administrative problem in not knowing what Congress was going to do. And I suspect that you are not quite sure as to what you are going to do, not only with corn but with all of these commodities.

For us to have extended the deadline on corn and not have done it on all other commodities might have put us into the same position we were in last year. We thought it was not desirable.

I have heard you say that you didn't think this thing ought to be used as a program to pick up acres that are not going to grow anything. We ought to use it to do something.

This we have adhered to in our policy with respect to the deadline for all commodities. We have said very plainly in this press release that in the event of new corn legislation that we'll reopen the sign-up, so that those who have not had a chance to participate can do so in the new program. We think this is a clearcut way to handle it. And that the farmers will not misunderstand what the position of the Department is.

Senator THYE. Might I ask Mr. McLain a question at that point?

What about a county that has signed up? They have used up all of the funds that have been allocated to that county in the existing program.

What will happen to that county, if in the event legislation is enacted or used to the extent of the sign-up date and——

Mr. McLAIN. Let me answer this way:

We have a good many counties in Nebraska and Missouri and a few other border States where primarily because of the drought situation they have used their soil-bank allocations for corn.

They have indicated they would need a considerable amount more if we could let them have it.

Senator THYE. If I may interrupt—that is under the present 37 million some 209,000 acres.

Mr. McLAIN. That is correct.

Senator THYE. And they have signed up all that they are allowed under that program?

Mr. McLAIN. That is right.

Senator THYE. Thank you.

Mr. McLAIN. I wanted to follow through.

In some instance, particularly in the extreme dry areas, they have indicated they would like to put in much more.

One reason why we must cut off the signup is that we are going to have corn planted in southern Missouri within the next few weeks and in other areas.

If we do not get new legislation we plan on letting those people who have indicated a desire for additional acreage in the soil bank to use to the full extent the available money so that we can get maximum cutback.

If we get new legislation we will have to hold the line and not let this money move out of other States where it could be used.

We divided the \$200 million on the basis of the proportion of the production in each State, and we will hold to that until we find out whether we get new legislation.

If we can't get it, it will be used in this other manner.

Senator HUMPHREY. How much did you use last year of money, of corn money?

Mr. McLAIN. One hundred and seventy million dollars.

Senator HUMPHREY. The national total?

Mr. McLAIN. Whole total all over the country was that much for corn.

I hope this clears up this point. We are very hopeful, as I have indicated in my testimony that we will get legislation. If we get it, this will be opened up immediately and every farmer will be given a chance.

Senator HUMPHREY. The only thing we wanted to make clear is this: I do not think it is humanly possible to get a bill agreed upon between two Houses of Congress between now and March 8, no matter if we would work day and night.

We did not want to foreclose the possibility that farmers would be able to comply if we passed legislation which the President can sign.

Mr. McLAIN. We have agreed to that. In this press release we have indicated we will wait until we are sure that we are or are not going to have legislation.

Senator HUMPHREY. I understand.

Senator THYE. In other words, we definitely know that March 8, when it arrives, and if there is some assurance that legislation will be enacted—

Mr. McLAIN. We will hold these funds until we see it is enacted.

Senator THYE. You will hold them. And that there will be a possibility of changing the date on the final signup so that you will not have foreclosed on the farmer that took us in good faith and did not sign up expecting that we would do something on the corn legislation.

Mr. McLAIN. Exactly right.

Another reason why we felt we should do this, in the event you get no new legislation we envisioned farmers in some areas where we might have some unfortunate experience because of hail or other things, later on, saying, "Well, we didn't understand that cutoff date meant what you said. We thought there was going to be legislation down the road here a month or so."

And we didn't want any misunderstanding like we had last year.

Senator CASE. If I may make one observation based on the point raised by Senator Thye, that is a real problem in counties where they were hit by a hard drought last year and have had dry weather, and are getting pretty heavy signups.

This bill, S. 1441, would take care of that by providing that payments could be in kind where the signup exceeds the cash allotted. It does meet that situation by letting them take the corn out of storage for paying on those signups that exceed funds allotted.

Senator HUMPHREY. Over and above the amount of money that is available under the program?

Senator CASE. Yes.

Mr. McLAIN. I think we should point out—in this connection, I have not seen Senator Case's bill. Of course, it will have the effect of utilizing more funds than are currently allotted under the Soil Bank Act.

I think that is something that the Senate ought to take into consideration.

Senator HUMPHREY. That is, would have to reimburse CCC.

Senator CASE. It could be within the total framework of the soil-bank goals. It might exceed the cash allotment. I recognize that, eventually you would probably pass legislation to repair the impairment of the CCC funds.

On the other hand, you would have accomplished the purpose and the purposes set forth by Secretary Benson many times that the idea is not to put grain in storage but to get it to market.

You once eliminate that great overstorage of the surplus, then you get back to your normal marketing situation more quickly.

Senator HUMPHREY. Would you restrict that to corn that is fed, so it is not available for sale and thereby acting as rather a depressing effect on the market?

Senator CASE. It would help to feed it, of course, but I would not accept the idea that it would be price depressant. The corn is over here in the storage bins. And the farmer who can't put into the soil bank as many acres as he wants, is going to plant those acres.

Consequently, you will have both corn that he raises, as well as what is already in the bin.

Senator HICKENLOOPER. That would require legislation, however, wouldn't it?

Senator CASE. I am proposing that.

Senator HICKENLOOPER. To take it out of storage?

Senator CASE. He can take payments in kind now—if he wants to—he can take his certificate and cash it in corn.

Mr. McLAIN. We have given a premium of 5 percent.

Senator HICKENLOOPER. I understand. If he used up the cash allotment and then began to use corn, it would require legislation.

Senator CASE. I think that would be accomplished by this bill. Since you raise that point I would like to point out that it is not price depressing. Actually, it would be a price stimulant, if anything.

You see if the corn is maintained in your storage bin and not drawn upon, because the farmer cannot put these acres into the soil bank, he will plant the acres and get more corn. He has both corn that he raises and the corn in the bin.

But if you let him put into the soil bank either 50 acres or 50 percent of his allotment then that part which is over and above the amount for which you pay him cash—the 20 acres or the 30 percent of his allotment—you reduce the total corn in being by that much. It is a price stimulant rather than a depressant, whether he feeds it or not.

Senator HUMPHREY. Mr. McLain, each of these bills, so far as one can see, has an acreage base of about 51 million acres.

Mr. McLAIN. That is right.

Senator HUMPHREY. There are variables in the bills. Some are only for 1 year, others are with no limitation. There is also the compulsory figure of 15 percent to be set aside for soil-bank purposes. There is a difference, however, in some of the bills. Only one bill, 1382, requires a 15-percent reduction out of the actual corn allotment.

Mr. McLAIN. Acreage reserve.

Senator HUMPHREY. Out of the actual allotment, out of the actual base of corn.

Mr. McLAIN. Yes.

Senator HUMPHREY. What you are really seeking here is to cut down corn production, is that correct?

Mr. McLAIN. Yes.

Senator HUMPHREY. Because of your carryover?

Mr. McLAIN. That is the purpose of the act.

Senator HUMPHREY. To cut down corn production?

Mr. McLAIN. Yes.

Senator HUMPHREY. It has been brought out many times before that when you divert acres, when acres are cut out and they are put into something else it does not cut down production, it makes an alternate crop.

How do you think you will best cut down corn production, by allowing any 15 percent of the total tillable acreage on the farm to go into the soil bank or requiring a 15 percent cut in the acreage allotted for corn?

Mr. McLAIN. Well, I think that probably your proposal, Senator Humphrey, so far as corn itself is concerned, if it were complied with would get the largest percentage of actual corn reduction.

You must bear this in mind that it is a voluntary program.

The provision to permit 15 percent to come out through the conservation reserve will keep some producers in line that would otherwise not participate.

Senator HUMPHREY. It is generally the less productive land.

Mr. McLAIN. It will always be, whether you have it in acreage reserve or conservation reserve, in my opinion. I think I know and I think you realize that.

I think the danger in going this other way is that it will not be accepted by as many farmers as the other approach that these other bills permit. I think that is important.

Senator HUMPHREY. I've had some interesting tabulations from your own Department indicating that where you have a larger allotment and a little higher price on your support, you can get more participation and as a result less production. When you have the total acreage at a reasonable figure, 51 million being a figure pretty well agreed upon, and put a price for compliance at let us say, as I proposed in my bill, \$1.50 a bushel, you do have some incentive to get people to comply.

The thing I am worried about is whether you will get compliance at \$1.31.

Mr. McLAIN. I would like to put it this way: I think there will be a lot of farmers, if permitted to plant up to their share of 51 million, who will comply with that and put 15 percent in the conservation reserve.

Senator HUMPHREY. That is correct.

Mr. McLAIN. I am sure if they do not have that permission they will not comply because the allotment is just lower than they can live with.

Senator HUMPHREY. They were also used to \$1.50 last year.

Mr. McLAIN. I understand. And to take this privilege away from them, I think you would find would cause a lot of farmers just to stay out completely.

Senator HUMPHREY. Even though you paid them 19 cents a bushel more? I mean when I say "pay them," that is your loan price—\$1.50 a bushel on 51 million acres, provided they take 15 percent of their allotted base for corn and put it into the soil bank under the acreage reserve section which gives them a reasonably good payment, by the way, for what they take out. What do you pay now, about 90 cents?

Mr. McLAIN. Ninety cents.

Senator HUMPHREY. You take 15 percent out and you pay 90 cents a bushel of estimated average yield on that and you leave 85 percent in and you make \$1.50 a bushel on that.

Don't you think that gives you more compliance than \$1.31, requiring them to take 15 percent out and put it under conservation reserve which gives you \$3 an acre, something like that?

Mr. McLAIN. Of course, it is a debatable question. Farmers themselves have answered that.

I think the other thing you must recognize, Senator Humphrey, in this whole deliberation on corn, we have been accused of favoring the corn farmer.

I think that is not a true statement. I just don't think——

Senator HUMPHREY. I didn't get that.

Mr. McLAIN. We have been accused in the administering of the program last year of favoring the corn farmer. I don't think that is so. I think you agree.

Senator HUMPHREY. I am not making any such charge.

Mr. McLAIN. I think the danger in your proposal is, to lift this support level to \$1.50, other commodity groups might say, "Why not do it with all commodities?"

This is a problem that I think must be recognized here when we are trying to get legislation through.

Senator HUMPHREY. I feel something like Senator Hicklenlooper said here—we are not wed to any proposal. What we are thinking about is to get the best that will work.

Mr. McLAIN. That is right.

Senator HUMPHREY. The objective is to cut down production and thereby bring supply and demand in reasonable balance. In the light of the carryovers we have, how do you do it?

Mr. McLAIN. I think you would have a difficult time under the current supply situation with a carryover estimated next October 1, of close to a billion and a half bushels, of making this \$1.50 look all right to other commodities. That is all I am saying.

Senator HUMPHREY. Would you mind having someone in the Department relate the carryover of a billion 500 million or a billion 400 hundred-plus million to the census of cattle and hogs to be fed relating it to prior years?

When we hear about a billion and a half bushels of corn carryover in 1957, it does not mean the same thing as if you carried a billion and a half bushels in 1940 because really what you are talking about in terms of carryover is how many weeks of feed do you have proportionately related to the number of livestock or the number of animals to be fed.

Mr. McLAIN. If you did that I think you should include all feed grains because, as you know, they are interchangeable.

Other grains have been used in place of corn.

Senator HUMPHREY. I think that would be all right to do that with other feeds.

In this instance I think we ought to relate it to corn. Whenever you hear about a billion and a half carryover it frightens people. It is like talking of having so many pounds of milk. It depends upon how many babies you are going to feed whether or not it is excessive.

Mr. McLAIN. Yes, we will be glad to do that.

(The information to be supplied is as follows:)

Feed grains: Carryover at beginning of marketing year per animal unit, United States, 1950-56

Year	Carryover stocks at beginning of marketing year ¹	Grain-consum- ing animal units fed dur- ing feeding year	Stocks per animal unit
	<i>Thousand tons</i>	<i>Thousands</i>	<i>Pounds</i>
1950.....	30,547	168,095	364
1951.....	28,599	167,349	342
1952.....	20,115	158,815	254
1953.....	26,960	156,741	344
1954.....	31,708	161,458	392
1955.....	39,051	164,907	474
1956 ²	43,271	163,000	530

¹ Corn and sorghum grains, Oct. 1; oats and barley, July 1.

² Preliminary.

Senator AIKEN. Was not that report issued a few days ago—it was for all feeds—showing substantially a higher amount per animal available—

Mr. McLAIN. That is right.

Senator AIKEN. Than had been for a long time. I do not recall but isn't there a record feed supply available?

Mr. McLAIN. We have those figures.

Senator AIKEN. You can divide that into corn, oats, and barley and grain sorghum, if you want.

Mr. McLAIN. I am sure you realize this. The point is that these feeds are all interchangeable.

Senator HUMPHREY. That is right.

Senator AIKEN. The thing that disturbs me are these increasing transportation costs which reach 50 cents a bushel or so by the time it gets from my part of the country to the gulf coast.

I understand they are actually taking land out of cotton, for instance, in the gulf coast and putting it into corn because when you take the Midwest price for corn and add transportation to it, it pays you to put in more acres of corn in the noncommercial areas.

And the transportation costs have been steadily increasing, until that factor is actually affecting production.

Senator HUMPHREY. Could we have one other analysis made so we can look at this thing objectively:

Let us take a 100 acre corn allotment on the farm, and analyze that related to income possibilities according to the separate bills that are here, and how they would be applied?

Could you do that?

Mr. McLAIN. We will be glad to do that. That will take a little time.

Senator HUMPHREY. Relate it to the farmer's income, his income off that 100 acres.

Mr. McLAIN. Well, of course, that is a little difficult to do. On the basis of corn income or how?

Senator HUMPHREY. I am talking about 100 acres of corn.

Mr. McLAIN. And leave livestock out altogether?

Senator HUMPHREY. Just 100 acres of corn. That is the base or allotment, whatever term you wish to use.

Mr. McLAIN. We will be glad, Senator, to come forward with what we can. We have lots of brains in the Department. Just so we are sure what you want.

Senator HUMPHREY. What we are talking about is the corn income. Feed prices have a direct relationship to cattle prices, we know, even though that is a belated recognition on the part of some people.

Mr. McLAIN. Not on my part.

Senator HUMPHREY. But for sometime in the Department there was a little difference of opinion about this, I might say.

Mr. McLAIN. All right.

Senator HUMPHREY. I am talking about a hundred allotted corn acres of Farmer Jones.

Let us take S. 1125, S. 1014, S. 1013—all of the bills that we have here—and relate that to actual income.

What would the farmer get under those respective bills in income relating to the price for the corn he produces and the amount of money that he would get in soil bank payment under the respective bills, and what is your estimated aggregate total under each? Because, essentially, compliance will depend upon whether or not Mr. Farmer can have enough income coming from both his production and his payments to make it worth his while. Isn't that correct?

Mr. McLAIN. That is correct; yes.

Senator MURPHY. I don't know how it will work out. I think it would be interesting to see.

(The information to be supplied is as follows:)

CASE I

A farmer in Grundy County, Ill., with a 100-acre corn base as his share of 51 million acres, under bill S. 1125:

1. Under the present allotment of 37,288,889 acres he would have an allotment of 73 acres.

73×57.1 (1957 normal yield) = 4,168 bushels.

$4,168 \text{ bushels} \times \1.36 (National support rate for 1957 allotment crop) = \$5,668.48).

2. If he put the maximum acreage in the soil bank reserve (30 percent of allotment or 20 acres, whichever is the larger):

$73 \times 30 \text{ percent} = 21.9 \text{ acres}$, therefore he could put 20 acres in soil bank reserve.

$20 \times \$52.00$ (1957 soil bank reserve rate per acre) = soil bank payment, \$1,040.00.

$73 - 20 = 53 \text{ acres}$.

53×57.1 (1957 normal yield) = 3,026 bushels.

$3,026 \times \$1.36$ (1957 support rate) = corn sales income, \$4,115.36.

$\$4,115.36 + \$1,040.00 = \text{total soil bank reserve payment and price support, } \$5,155.36 \text{ plus income from the 13 acres diverted from corn.}$

1957 commercial corn area, 85th Cong., 1st sess., S. 1125—Corn loan rate (\$1.36), which is 77 percent of parity

State	1957 allotment	1957 soil bank base acres	State	1957 allotment	1957 soil bank base acres
Alabama.....	303,314	414,842	Nebraska.....	4,272,390	5,706,576
Arkansas.....	87,706	119,955	New Jersey.....	104,900	143,472
Delaware.....	108,971	149,039	North Carolina.....	850,262	1,162,902
Georgia.....	378,147	517,191	North Dakota.....	71,182	97,355
Illinois.....	5,857,909	8,011,861	Ohio.....	2,156,784	2,949,833
Indiana.....	3,016,533	4,125,712	Pennsylvania.....	582,079	796,109
Iowa.....	6,862,686	9,386,093	South Dakota.....	1,948,675	2,665,202
Kansas.....	905,079	1,237,876	Tennessee.....	458,135	626,591
Kentucky.....	909,810	1,244,347	Virginia.....	123,548	168,977
Maryland.....	263,825	360,834	West Virginia.....	15,835	21,657
Michigan.....	995,695	1,361,812	Wisconsin.....	1,297,998	1,775,272
Minnesota.....	3,436,176	4,699,657			
Missouri.....	2,381,250	3,256,835	Total.....	37,288,889	51,000,000

CASE II

The same farmer in Grundy County, Ill., under S. 1014. No 1957 corn allotment, 51,000,000 acre soil bank:

1. 100 acre corn base with maximum acreage under soil bank reserve (20 acres or 30 percent of base, administration determination):

$100 \times 30 \text{ percent} = 30 \text{ acres}$.

$30 \times \$52.00$ (1957 soil bank reserve rate per acre) = S. B., \$1,560.00.

70 acres planted to corn $\times 57.1$ (1957 normal yield) = 3,997 bushels.

$3,997 \text{ bushels} \times \1.36 (not less than support rate under S. 1014) = \$5,435.92 corn sales.

\$5,435.92+\$1,560.00=total soil bank reserve payment and price support, \$6,995.92.

2. 100 acre corn base, all planted to corn (15 percent put into conservation reserve) :

100×57.1 (1957 normal yield)=5,170 bushels eligible for price support.
5,710 bushels×\$1.36=\$7,765.60.

15 acres conservation reserve×\$13.00 (1957 conservation payment rate)=\$195.00.

\$6,600.08+\$195.00=total price support and conservation reserve payment, \$7,960.60.

1957 commercial corn area, 85th Cong., 1st sess., S. 1014—Price support not less than 75 percent of parity, which would be \$1.32

State	1957 allotment	1957 soil bank base acres	State	1957 allotment	1957 soil bank base acres
Alabama.....	None	414, 842	Nebraska.....	None	5, 706, 576
Arkansas.....	None	119, 955	New Jersey.....	None	143, 472
Delaware.....	None	149, 039	North Carolina.....	None	1, 162, 902
Georgia.....	None	517, 191	North Dakota.....	None	97, 355
Illinois.....	None	8, 011, 861	Ohio.....	None	2, 949, 833
Indiana.....	None	4, 125, 712	Pennsylvania.....	None	796, 109
Iowa.....	None	9, 386, 093	South Dakota.....	None	2, 665, 202
Kansas.....	None	1, 237, 876	Tennessee.....	None	626, 591
Kentucky.....	None	1, 244, 347	Virginia.....	None	168, 977
Maryland.....	None	360, 834	West Virginia.....	None	21, 657
Michigan.....	None	1, 361, 812	Wisconsin.....	None	1, 775, 272
Minnesota.....	None	4, 699, 657			
Missouri.....	None	3, 256, 835	Total.....		51, 000, 000

CASE III

The same farm in Grundy County, Illinois—S. 1013 No 1957 Corn Allotment—51,000,000 Soil Bank base :

100 acre corn base with maximum acreage under soil bank reserve, 30 acres.

30×\$52.00 (soil bank reserve rate per acre), \$1,560.00.

Planted to corn, 70 acres × 57.1 (1957 normal yield)=3.997 bushels.

3,997 bushels×\$1.31 (not less than support rate under S. 1013), \$5,236.07.

\$1,560.00+\$5,236.07=total soil bank reserve and price support payment, \$6,796.07.

1957 commercial corn area, 85th Cong., 1st sess., S. 1013—Price support not less than 70 percent of parity, which would be \$1.24

State	1957 allotment	1957 soil bank base acres	State	1957 allotment	1957 soil bank base acres
Alabama.....	None	414, 842	Nebraska.....	None	5, 706, 576
Arkansas.....	None	119, 955	New Jersey.....	None	143, 472
Delaware.....	None	149, 039	North Carolina.....	None	1, 162, 902
Georgia.....	None	517, 191	North Dakota.....	None	97, 355
Illinois.....	None	8, 011, 861	Ohio.....	None	2, 949, 833
Indiana.....	None	4, 125, 712	Pennsylvania.....	None	796, 109
Iowa.....	None	9, 386, 093	South Dakota.....	None	2, 665, 202
Kansas.....	None	1, 237, 876	Tennessee.....	None	626, 591
Kentucky.....	None	1, 244, 347	Virginia.....	None	168, 977
Maryland.....	None	360, 834	West Virginia.....	None	21, 657
Michigan.....	None	1, 361, 812	Wisconsin.....	None	1, 775, 272
Minnesota.....	None	4, 699, 657			
Missouri.....	None	3, 256, 835	Total.....		51, 000, 000

Senator MUNDT. While we are seeking out tables and analysis from the Department of Agriculture—they will all be helpful—I wish you would also make one indicating under the bill which I introduced, which provides 52 million, instead of 51, and do that on the basis of

the testimony Secretary Benson gave before our committee sometime ago, when he pointed out that the 52 additional counties were added in 1956 and added about a million eight-plus acres of production.

Fifty-two million acres in 1957 is the same pretty much as 51 million acres would have been in 1956.

I would like to have you provide a table breakdown by States indicating how many additional acres 52 million would provide by States.

Mr. McLAIN. We will be glad to do that.

Senator MUNDT. Thank you.

(The information to be supplied is as follows:)

1957 commercial corn area—Senator Mundt's bill at 52,000,000-acre soil bank

State	Senator Mundt's proposed bill 52,000,000 base acres	1957 soil bank base acres	Difference	State	Senator Mundt's proposed bill 52,000,000 base acres	1957 soil bank base acres	Difference
Alabama.....	422, 976	414, 842	8, 134	Nebraska.....	5, 818, 470	5, 706, 576	111, 894
Arkansas.....	122, 307	119, 955	2, 352	New Jersey.....	146, 285	143, 472	2, 813
Delaware.....	151, 961	149, 039	2, 922	North Carolina.....	1, 185, 704	1, 162, 902	22, 802
Georgia.....	527, 322	517, 191	10, 141	North Dakota.....	99, 265	97, 355	1, 910
Illinois.....	8, 168, 956	8, 011, 861	157, 095	Ohio.....	3, 007, 673	2, 949, 833	57, 840
Indiana.....	4, 206, 608	4, 125, 712	80, 896	Pennsylvania.....	811, 719	796, 109	15, 610
Iowa.....	9, 570, 134	9, 386, 093	184, 041	South Dakota.....	2, 717, 460	2, 665, 202	52, 258
Kansas.....	1, 262, 148	1, 237, 876	24, 272	Tennessee.....	638, 877	626, 591	12, 286
Kentucky.....	1, 268, 746	1, 244, 374	24, 399	Virginia.....	172, 290	168, 977	3, 313
Maryland.....	367, 909	360, 834	7, 075	West Virginia.....	22, 083	21, 657	426
Michigan.....	1, 388, 514	1, 361, 812	26, 702	Wisconsin.....	1, 810, 081	1, 775, 272	34, 809
Minnesota.....	4, 791, 807	4, 699, 657	92, 150	Total.....	52, 000, 000	51, 000, 000	1, 000, 000
Missouri.....	3, 320, 695	3, 256, 835	63, 860				

Senator HUMPHREY. Any other questions of the Secretary?

Senator AIKEN. I have one question. In the event that no legislation is passed, and you put a price support under noncompliance corn, then what would the support be for corn in the noncommercial areas?

Mr. McLAIN. Mr. Coffman can answer that.

Senator AIKEN. Maybe you have told the committee about that.

Mr. McLAIN. The support under the law, under those conditions, would be 70 percent of parity.

Mr. CLAUDE T. COFFMAN (Office of the General Counsel). Under which bill?

Mr. McLAIN. In the event that we have no new bill at all and we support noncompliance corn in the commercial area, what will price support be in the noncommercial areas?

Mr. COFFMAN. 70 percent of parity.

Senator AIKEN. The support would have to be at least \$1.26—is that what it figures out to?

Mr. McLAIN. Parity is now \$1.81. It would be 70 percent of that.

Senator AIKEN. The support price for corn in the noncommercial areas would, under the law, have to be at least \$1.26?

Mr. McLAIN. If we supported noncompliance corn: yes.

Senator AIKEN. To be fair, you would have to support all corn at \$1.26. If you supported noncompliance corn in the commercial corn area at \$1.15 or \$1.10, we will say as has been suggested, you would have to support the price of corn in the noncommercial areas at a higher rate than you did in the commercial areas, which would still further encourage the shift in production areas.

Mr. McLAIN. Yes.

Senator AIKEN. I think that is something we want to consider seriously. If there is no legislation at all, you are really going to encourage production of corn in noncommercial areas where they can raise 100 bushels to the acre the same as in the others.

Mr. McLAIN. We are apt to encourage it in the commercial areas. It is impossible for the heavy corn-producing States to live with it as it is. And we cannot let the price of corn drop sharply, as you well know.

Senator AIKEN. You would have to encourage production of corn in the commercial areas, or be unfair to them?

Mr. McLAIN. That is right.

Senator THYE. In other words, what the Department is faced with is that you are mandatorily bound to do something relative to the supports of corn. Is that the interpretation?

Mr. McLAIN. No.

Senator THYE. You can do as you please, but you, in your own good conscience—

Mr. McLAIN. We will not let the price of corn drop sharply.

Senator THYE. That you would not let the drop—you would have to come in and stipulate—

Mr. McLAIN. Yes.

Senator THYE. As Senator Aiken has stated, if in the commercial area you set corn supports at \$1.10—did I understand you rightly?

Senator AIKEN. I said if they were set at \$1.10, which we have heard frequently suggested for noncompliance corn.

Mr. McLAIN. Let us not get it out of the premise. I want the record straight on that.

Senator AIKEN. I am not saying that. I am using it as a hypothetical case.

Senator THYE. To carry it through further, as Senator Aiken stated it, if the Department was to set it at \$1.10 in the commercial area, then you would be mandatorily bound in the noncommercial area to set the support—

Mr. McLAIN. At 70 percent of parity.

Senator THYE. At 70 percent of parity, and at 70 percent of parity it would figure \$1.26.

Senator AIKEN. \$1.27.

Senator THYE. It would be \$1.25 plus.

Senator AIKEN. Yes.

Senator THYE. In that particular instance, if you did that, you would without question encourage production of corn in the noncommercial area in great quantities at \$1.26 plus, as the support, and, therefore, it is absolutely mandatory, unless we throw our agricultural economy into chaos, that we do something here with these many bills before us.

Mr. McLAIN. Remember this about the unfairness: In addition to what you have said, producers in the noncommercial area do not have to comply with limitations to get support.

Senator THYE. That is correct with none of the crops that are in the program at the present time, because the act is so written that the moment that you support the corn producer in the commercial area at

any figure, you are mandatorily bound to name a support on the non-commercial corn grower.

Mr. McLAIN. You get that in there; that word "noncompliance," because that is important.

Senator HUMPHREY. What you are saying is that you will support noncompliance corn at \$1.26 under existing law even if we pass nothing—I mean you could.

Mr. McLAIN. If we support the noncompliance corn in the commercial area we would be required under law to do that.

Senator HUMPHREY. You have already indicated that you planned on supporting it.

Mr. McLAIN. That is right.

Senator HUMPHREY. Senator Aiken said about \$1.27.

Senator AIKEN. \$1.26 or more, minimum.

Senator HUMPHREY. Yet the legislation we are recommending is \$1.31 for compliers when they take 15 percent out.

Mr. McLAIN. Of course, we were not responsible for this provision in the act.

Senator HUMPHREY. No. I understand that. I understand that. But may I point out that I am not complaining about \$1.27 as being wrong for outside the commercial area. I think if anybody is going to raise corn he is entitled to \$1.27. We have such things as a minimum-wage law. Even if you are not a good worker you are entitled to \$1 an hour.

Senator AIKEN. They are pretty nearly bound to support corn at \$1.26 or \$1.27 with the sky the limit as it relates to acreage.

Senator HUMPHREY. That is correct.

Senator AIKEN. The production is limited to the number of acres that are available in and out of the commercial area—which is no limit.

Senator THYE. But, Mr. Chairman, at that point, however, in the commercial area would the man be entitled—if you do not name a support—would he be entitled in the commercial area to get the \$1.26 plus?

Mr. McLAIN. Let me see what your question is. If we have the current program and do not get any new legislation would the noncomplier be entitled to any support?

Senator THYE. He would not be entitled to it, but in the event you get no legislation, then what will you be faced with, is just exactly what they are now signing up for and that is, your 37 million plus acres; is that right?

Mr. McLAIN. That is right.

Senator THYE. In the commercial area. Then what do you do to the corn producer in other than the commercial area?

Mr. McLAIN. There is a provision in the law, requiring price support at 75 percent of the support in the commercial area.

Senator THYE. So outside of the commercial area you actually would be supporting the corn producer at what level?

Mr. McLAIN. It would be 75 percent of \$1.36—75 percent of the support in the commercial area; isn't that right?

Mr. ROBERT P. BEACH (Commodity Stabilization Service). Yes.

Senator THYE. Let us get that into the price per bushel.

Mr. McLAIN. 75 percent of the support in the commercial area which is now \$1.36—it would be 75 percent of that.

Senator THYE. Let us get that into dollars and cents.

Senator AIKEN. About a dollar.

Mr. McLAIN. About a dollar.

Senator THYE. In other words, you support corn at a dollar.

Senator HUMPHREY. \$1.02.

Senator THYE. In the noncommercial area, in any amount that he wishes to produce.

Mr. McLAIN. That is right.

Senator THYE. That is providing the new law stands as now it is interpreted.

Mr. McLAIN. That is right.

Senator THYE. That is, 37 million plus acres is the program that you are administering.

Mr. McLAIN. And assuming that we do not support noncompliance corn in the commercial area.

Senator THYE. That is assuming that you do not?

Mr. McLAIN. Yes.

Senator THYE. That you do not support the noncomplier.

Mr. McLAIN. That is right.

Senator THYE. But if you support the noncomplier then what change does that impose upon the noncommercial grower?

Mr. McLAIN. As Senator Aiken pointed out, around \$1.26 or \$1.27.

Senator THYE. So you have two problems here that are absolutely threatening you with chaos, insofar as the corn producer in this Nation is concerned.

If you do nothing, you take the noncommercial grower down to \$1.02. If you support the noncomplier you immediately jack the man producing in the noncommercial area up to \$1.26 plus.

So you have those two chaoses confronting you as a Department Administrator.

Mr. McLAIN. We are aware of the choices facing us.

Senator THYE. So it is imperative that Congress do something with these various bills before us?

Mr. McLAIN. Yes.

Senator CASE. We have had a pretty drastic illustration by what happened in our State. South Dakota's allotment was fixed at 2,276,000 acres but 3,069,000 acres were planted.

The allotment for 1957 under the 37 million national figure is dropped from that 2.7 down to 1.9, a drop of 800,000 acres or better than a third.

And yet the estimated plantings for this year are 3,045,000 acres, practically the same planting that we had in 1955.

If you support the noncomplier in the commercial counties at \$1.26 or \$1.27 and the complier at \$1.31, there will not be very many compliers.

Senator HUMPHREY. Exactly what I have been trying to say. I do not think anybody is proposing that under the law you can support the noncompliers at less than \$1.26. You made my case. I am very appreciative.

Senator CASE. If you get \$1.27 for unlimited acres, you are likely to take that rather than take \$1.31 under allotments.

Senator HUMPHREY. Exactly. I agree. Do you plan on supporting noncompliers at less than \$1.26?

Mr. McLAIN. As I said in the statement here, we will not let the price of corn go down to the detriment of all farmers. The Secretary said that. We intend to comply with it.

Senator HUMPHREY. In other words, \$1.26 is the very basic minimum price, isn't it?

Mr. McLAIN. Your judgment on that is as good as anybody's is.

Senator HUMPHREY. You are very kind.

Senator YOUNG. What is your policy right now? What is the Department's policy right now with respect to soybeans? I have received many complaints from producers that the policy of the Department is to sell the soybeans as soon as the Government acquires them. And they tell me that out in the rural areas that the purchasers of the soybeans are holding off awaiting until the Government takes over the soybeans for the reason they will get them at a cheaper price.

Mr. McLAIN. We have announced our policy on soybeans well ahead of time, so farmers and everybody else understood what it was.

We indicated earlier in the fall when we saw what a tremendous crop we had that we would not sell beans back at a discount price after we took possession for export or for domestic use.

As we approached the time of the close of the loan period we indicated what our selling price would be. It is above the loan rate.

The 1956 crop of soybeans to be taken off at May 31 will be sold for either domestic or export use at the 1956 crop support price at point of production plus the carrying charge.

We take the loan rate at the point of production and add on a cent and a half for June, for July 3 cents, for August 4½ cents, for September 6 cents.

In other words, we keep the thing above the loan rate all through the marketing year.

And if we see we are in trouble we will look at it at that time.

Senator YOUNG. Many of these producers say that if you had announced the policy of holding onto the soybeans that the price would be higher now. There would not have been half as much under the loan program.

Mr. McLAIN. Senator Young, that program has been one of the programs that has worked marvelously. A lot of producers urged it. A year ago when we raised the support rates to 75 percent many said not to do it. They said to keep it at 70.

We have not had any trouble with soybeans. We moved them. Soybeans have been in one of the most healthy positions of any commodity, in my opinion.

We do not get a flock of soybeans on our hands to depress the market for future operations. They would like to see them move out.

And processors, I think, want to run their plants around the clock because there is a terrific demand for protein.

The only way you will do that is to keep the bean price reasonably above the support rate and that is what we have done.

We have announced it so everybody knows what we will do.

Senator YOUNG. Is there a higher percentage of the farmers taking out loans under the price-support program than before?

Mr. McLAIN. The crop is up tremendously. And whenever the crop is up you expect loan activity to be greater.

In spite of the tremendous crop we have had, soybeans have been above the loan rate most of the time in most areas. That is a remarkable thing.

Senator THYE. Right at this point, the whole purpose of the soil bank was to try in some manner to control the type of crops that had normally been used and planted on the acres diverted from the different basic crops such as corn, cotton, and wheat.

Mr. McLAIN. Yes.

Senator THYE. Every time you diverted or reduced the corn acreage or a cotton acreage or a wheat acreage, you forced either the planting of soybeans in one area of the Nation or sorghum grains in another area or a combination of soybeans and corn in the borderline of your cotton area.

The whole purpose of the soil bank was to reduce the overall number of acres harvested in the given year. That is why you have such an important question involved in this corn acreage.

You either get a corn program that will get compliance, or otherwise you are going to add to your feed grain surpluses by increasing corn production by switching over into soybeans or some of the other related crops.

It is necessary that we enact legislation that will encourage soil-bank participation or otherwise we don't resolve our surplus problems.

Mr. McLAIN. We agree with that. That is why the President took note of this in the message that he sent to Congress. That is why the Secretary was before this full committee on January 29. That is why I was before the House committee on January 30.

Senator THYE. Mr. Chairman, while we are speaking to that subject, it was on February the 26th that I addressed a letter to Secretary Benson wherein I asked that an extension of the date of March 8 be made in order that we would have the time required to enact the legislation before the farmer was confronted with the question of a signup.

Senator HUMPHREY. Would you like to have that incorporated in the record?

Senator THYE. I ask that it be incorporated in the record.

Senator HUMPHREY. Very well. That may be done.

(The letter is as follows:)

FEBRUARY 28, 1957.

HON. EZRA TAFT BENSON,
Secretary of Agriculture,
Department of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: I respectfully urge that the signup date for the 1957 acreage reserve program for corn be extended from the present date, March 8, to a later date.

The approximately 37,288,000 national corn acreage allotment is too low. Not many farmers will be able to comply with this low corn acreage allotment. If compliance is not obtained, then the soil bank is placed in jeopardy for the year 1957 on the corn acreage, which will result in continued overproduction in our feed grains, thereby further adding to our surplus problems and the possible jeopardy of all livestock, poultry, and dairy prices by increased production.

I had hoped that Congress would have legislated and established a new national corn acreage allotment before this date. This has not been accomplished. All bills introduced in the Senate have been referred to a subcommittee of the Senate Agriculture Committee, chairmaned by Olin D. Johnston of South Carolina. This committee has scheduled hearings to commence Monday, March 4. The length of hearing has not yet been determined. Therefore, it is imperative that the signup date of March 8 be deferred to a much later date.

I regret exceedingly that the farmers are placed in this uncertain position relative to their crop plans. I assure you that I shall endeavor, as I have in the past, to have enacted legislation clarifying the question at the earliest possible date.

With kindest personal regards,

Sincerely yours,

EDWARD J. THYE,
United States Senator.

Senator HUMPHREY. I thought maybe we ought to proceed with Congressman Schwengel here. You will stay with us, anyway. We may want to ask you some more questions.

I just want to pin this down. As we understand it now, the \$1.26 would be the price for corn under the existing law for noncompliers in the commercial area.

Mr. McLAIN. I didn't say that. You may have said that.

Senator HUMPHREY. What did you say? I want to get what was said.

Mr. McLAIN. Senator Aiken said if we supported noncompliance corn in the commercial area that the law would require support at \$1.26 outside of the commercial area.

Senator HUMPHREY. That is right.

Mr. McLAIN. I did not say that is what would be done in the commercial area. You have said it.

Senator HUMPHREY. You did say you would support outside corn at \$1.26. And you have also said that you are fair and just. So I would imagine that would mean fairness and justice would require the same level in the commercial areas.

Senator AIKEN. Yes, if you are going to be fair—equally fair to everybody—that inasmuch as the law would require support in the noncommercial areas at \$1.26 or \$1.27.

Senator HUMPHREY. Right.

Senator AIKEN. You would about have to establish the same support level in the commercial areas, assuming that support was given to noncompliance corn?

Senator HUMPHREY. And the Assistant Secretary said the Department was equally concerned over these matters and was not going to let the corn farmer down; is that about right?

Mr. McLAIN. I think you fully understand.

Senator HUMPHREY. That is a very diplomatic statement, Mr. McLain.

The proposal that you support provides \$1.31; is that right?

Mr. McLAIN. That is right.

Senator AIKEN. That is not less than 70 percent support?

Mr. McLAIN. I have indicated in my testimony we are willing to accept the Andresen amended proposal. We are willing to accept what Senator Hickenlooper and Senator Martin and others have proposed. We are in the position that we would like to see some legislation in order to help the corn farmer.

Senator HUMPHREY. I am trying to talk prices. The price is \$1.31. That is what you have announced.

Mr. McLAIN. That is right.

Senator HUMPHREY. That would be on 51 million acres, for base acreage. And it would also require 15 percent to be shifted over into some form of the soil bank.

Mr. McLAIN. Yes.

Senator AIKEN. How could you announce it as \$1.31 under the present law? Seventy-five percent of \$1.81 comes out to \$1.35 $\frac{3}{4}$.

Mr. McLAIN. I am getting back to the initial proposal. We will accept the Andresen proposal which would bring it up to the 75.

Senator AIKEN. Your \$1.31 is based on legislation which has not been enacted—it is on proposed legislation?

Senator HUMPHREY. S. 1013.

Mr. McLAIN. S. 1013 is the one. That did do that. And the proposal of Seantor Hickenlooper and Seantor Martin would put the price support at \$1.31 for the year 1957. That is one approach.

And the other approach is to permit those farmers who voted this thing down to operate within their share of the 373 million acre allotment. It would be a dual program.

Senator HICKENLOOPER. One would be \$1.36 and the other \$1.31. My bill merely follows the referendum program.

Mr. McLAIN. That is right.

Senator HUMPHREY. Seventy-five percent of parity would be about \$1.36.

Mr. McLAIN. As of today's parity.

Senator HUMPHREY. That is correct.

Senator THYE. You have before you here, Secretary McLain, S. 1449, the same provisions in that as are in the Andresen bill. So you have that bill before you right here on the table.

Mr. McLAIN. If we had had this before I came down here this morning, we would have indicated the same about this bill as we did about Congressman Andresen's bill.

Senator THYE. That is right. But this was introduced on Saturday.

Senator YOUNG. My concern is how did we get ourselves into this almost impossible situation? You offered two corn proposals to farmers. Not too many farmers understood them, or were concerned about them, or were interested in it; is that it?

Mr. McLAIN. I would not say that, Senator Young. I think that there was misunderstanding. Part was unavoidable; part was brought about by divided opinion. And, certainly, we did not go out and pressure for anything. We didn't feel in the Department that that was our responsibility. We tried to be sure that everybody understood the alternatives. Most of the farm organizations tried to do the same thing. There was divided opinion among them, as you well know, as to what ought to be done.

Of course, the farmer when he got ready to vote, in some cases admittedly was a little confused as to what was the best thing to do.

I think that if the law had required only a 50-percent vote, we would not be having these hearings today. But that was not the way it was.

Senator YOUNG. I get a little disturbed at times. I try to go along with you and help you out in the trouble you get yourself into. Last fall you offered these two corn proposals.

Mr. McLAIN. It was part of the law. This was enacted into the Soil Bank Act. We had to carry out the act.

Senator YOUNG. You had the responsibility for it?

Mr. McLAIN. It was not entirely what we wanted. Let us get the record straight on that. We had to compromise as we always expect to do. But this provision was in the law. We had to carry out the law.

Senator YOUNG. What effort was made to explain it?

Mr. McLAIN. As good a job as has ever been done in the time we had to do it.

Senator YOUNG. I can understand why most farmers would be confused when they voted on those two issues last fall.

Senator HUMPHREY. The record shows that, where farmers were participants in the corn program, fewer of them voted for the administration's proposal than those in the areas where they were not participants.

Mr. McLAIN. I think the tragedy was that more farmers did not vote.

Senator HUMPHREY. Only 21 percent voted.

Mr. McLAIN. That is correct.

Senator HUMPHREY. And you only got some 60 percent of them.

Senator MUNDT. Mr. Chairman, inasmuch as we are meeting this morning at 11 o'clock, I ask unanimous consent—I have to leave now—I would like to include at this point in the record a statement I made on S. 1076.

Senator HUMPHREY. Yes, indeed. We will have it placed right now in the record.

STATEMENT FILED BY HON. KARL E. MUNDT, A UNITED STATES SENATOR FROM THE
STATE OF SOUTH DAKOTA

Mr. Chairman, as the subcommittee knows, on February 7, I introduced S. 1076, which would provide a base acreage for corn of 52 million acres. We all will recall that the original figure for corn base acreage as contained in the law passed last year was 51 million acres.

The reason for suggesting 52 million acres is that since the crop in 1956, 52 new commercial counties have been added to the commercial acreage of this country. The Department of Agriculture advises me that will expand by about a million acres the corn productive capacity of this country in the commercial area. For that reason I have proposed a new base. My bill also proposes that there be a 75 percent minimum price support.

There is no special pride of authorship associated with S. 1076. My principle concern is for enactment of legislation which seeks the development for corn farmers of means which will allow them participation—practical participation in the corn program. I am personally convinced that unless some remedial measure is not enacted by the Congress that farmer participation in the soil-bank program will be very negligible on the part of corn farmers. The cut in their acreage allotment is just too severe for them to afford to participate.

I would like to submit for the record an article which appeared in the February 2, 1957, issue of *The Farmer*, one of the great farm magazines of our area of the country. Entitled "What the Corn Farmer Plans to Do," it points out that, as the program now stands, very few corn farmers appear willing to go along with the soil-bank cutback on corn.

During the past several months my correspondence with corn farmers has been extensive. A former member of the State ASC committee had this to say:

"I do think you should know what corn farmers are saying—first of all, the farmers' corn acres have been cut so low that it is hard for them to stay in the program. I want to give you an example of one of my farms of 320 acres. Last year we had a corn allotment of 105 acres and this year 72 acres. Corn is our money crop, and taxes on this farm is close to \$600. Then there are a lot of other expenses such as well repair, fencing, building repairs, and many other items."

A lawyer in one of South Dakota towns located in the middle of a corn county had this to report:

"The press is giving the impression that the farmers are flocking to the ASC offices and are signing up on an unprecedented scale. This is not true in Union County. Here is a comparison for the years 1956 and 1957:

"Corn acres contracted for in 1956—48,133.8; 1957—5,343.1, with an additional 4,864.6 acres, making a total of 10,207.7 as of February 21.

"The committee in this county is of the opinion that most of the corn farmers will cancel out before March 8, because the 37.5-million-acre quota with the formula of 30 percent of the total allotment or 20 acres as the maximum amount of corn acres any farmer can have just doesn't fill the bill. This as you will recall, compares to 51 million acres in 1956 with the formula of 50 percent of the allotment of 50 acres, whichever was the greatest.

"Farmers in this county would sign up on the small scale that they did last year, if we had last year's quota."

Mr. Chairman, as I said earlier, there is no special pride of authorship associated with S. 1076. My only desire is that some legislation offering corn farmers a practical means to participate in the soil-bank program be favorably considered by this Congress.

[From the Farmer, February 2, 1957]

WHAT THE CORN FARMER PLANS TO DO

Corn farmers, like wheat farmers, have until March 8 to sign up, if they choose to put land into the soil bank.

As the program now stands, however, very few appear willing to go along with the soil-bank cutback on corn.

Scratching your head about what to do with corn allotment acres? You're not alone. If the soil-bank program stays the same as at present, few farmers will have trouble making up their minds. They won't comply. But many feel the program may be changed in coming weeks. If that happens, they aren't so sure.

Many feel present allotments are too small. The cutback from base acres—about 42 percent—has been too severe. Unless allotments are revised upward, or compliance payments increased, or both, few will put corn acres into the soil-bank acreage reserve. Few will even stay within corn allotments.

Some county ASC officials are guessing no more than 5 percent of their farmers will stay within allotments, let alone put cornland into the soil bank. (Cornland put into the acreage reserve portion of the soil bank must be subtracted from allotted acres, thus reducing the amount of corn which can be planted accordingly. No harvestable crop can be removed from acres diverted to the acreage reserve.)

SIGN UP ENTIRE FARMS

In other counties, usually those with less productive, lower priced land, quite a few may comply. Landlords, particularly older ones, are considering putting all land into the soil bank—under both the acreage and the conservation reserve—where there is no problem of hardship to a tenant. Some young landowners in both the corn and wheat areas are signing up their entire farms and seeking employment off the farm.

Statewide, however, apparently no more than 10 percent or possibly 15 percent of Minnesota's corn farmers will comply, as the program now stands—and that may be an optimistic estimate. In South Dakota, possibly 10 percent will put some cornland into the soil bank; 25 percent may stay within allotted acres, compared to 50 percent last year.

"Our allotments are too small" was the most common complaint from farmers queried about the program. "Corn is the only crop I can make any money at," and "this land is too valuable to let it lie idle," were other complaints.

A cross-section survey by The Farmer throughout the main corn areas of Minnesota and South Dakota produced these comments.

"Only two farms in the county so far may go into the soil bank with all land; both are absentee owners and both are poorer farms."—Sibley County, Minn., ASC official.

"Unless the soil-bank base is reestablished upward, or allotments increased, we will lose a lot of participants."—Blue Earth County, Minn., ASC committee-man.

"This is the first year I have been in doubt about staying within my corn allotment. Up until now I have always complied, but this cut in acres has been too severe."—Blue Earth County, Minn., farmer.

"Unless farmers get greater incentive, a lot more corn will be piling up, just as it has the past few years."—Jackson County, Minn., ASC official.

"Last year 30 percent of our farmers stayed within corn allotments. Yet 49 percent of all cropland in the county was in corn. Those 30 percent of farmers

made the corn price for the rest. This year, if we don't get a change from the present program, there won't be 5 percent in the allotment program, let alone acreage reserve."—Nobles County, Minn., ASC official.

"I purchased a 230-acre farm for \$10,000 5 years ago. I can now get a return of \$2,630 per year through the acreage and conservation reserve programs. I plan to put that entire farm into the soil bank."—Clark County, S. Dak., landowner.

"We don't look for much interest in the program, not at a 42 percent cut in the historical corn base. When I ask farmers if they plan to comply, they answer 'corn is the only thing I can make any money at'."—Minnehaha County, S. Dak., ASC official.

"Twenty-five to thirty younger farmers are planning to put all their land into the soil bank, go north and work in the taconite mines. More than that number of older farmers will likely put all their land in and retire. Even so, compliance this year will be less than in years past. We had more cropland in corn last year than normally. Farmers either comply, or they shoot the works and go way over."—Fillmore County, Minn., ASC official.

"I'll put my farm in. It had been under cash rental, but my renter already has another farm and I can make a little more through the soil bank. That will help me establish a better social security base for retirement next year. Also, my land has been farmed pretty hard. It needs a buildup of humus through a gress-legume cover crop."—Fillmore County, Minn., farmowner.

"Not many will comply, as the program now stands. Those who stayed in the past few years made the market for those who didn't. Those who stayed out raised a lot of corn and now have a good historical base."—Steele County, Minn., ASC official.

"If I stay in I'll pour fertilizer on all the corn I plant—something I have never done before—to try and raise more corn on 18 acres than I did on 30 acres before."—Steele County, Minn., farmer.

SOME WILL COMPLY

Not all farmers feel that way. A few can be found, by searching, who will go along with the program as it now stands.

One such is the 320-acre Joyce farm in Sibley County, Minn., owned by Anne and Mary Joyce and normally worked with hired help. The Joyce sisters have 114 acres of cropland, of which 32.7 acres is the 1957 corn allotment. Those 32.7 acres will all be put into the acreage reserve. Normal corn compliance maximums are 20 acres or 30 percent of the allotment, whichever is larger. However, those who wish to put all allotted acres into the acreage reserve may so indicate when they sign up. After March 8, the final signup date, those who want to exceed the maximum will be allowed to do so if funds are available. Most officials have little doubt but that ample funds will still be available. If funds are short in 1 county, or even 1 State, additional funds can be shifted to it by Federal officials from areas with excess funds.

Why are the Joyce sisters complying with the acreage reserve?

"It will help cut down surpluses. If corn is not trimmed back now, so much may pile up that we'll have no support prices some day," answers Mary Joyce.

Also, they hire all work done which increases their production costs. "The Government payment is a sure return, and a fairly good-sized one, compared to what we normally net after subtracting production costs, crop insurance payments, and similar expenses," they point out.

Their acreage reserve payment, which hasn't yet been figured, will probably be between \$45 and \$50 per acre. Payments this year are figured according to an average county payment which has already been determined by Federal ASC officials. Individual payments are calculated by county committeemen from farm productivity comparisons of individual farms to that county average. Chippewa County, Minn., for example, has a county average payment of \$37 per acre. An individual farm payment might be 105 percent of that \$37 county average, or 95 percent of it, based on the farm's comparative productivity to all farms in the county.

The smallest county average, for Minnesota, is \$32 per acre for corn land. The largest, for Carver County, is \$53.

Another farmer planning to comply is O. L. Norgaarden, Fillmore County, Minn., landowner. Off the farm for the past 12 years, he had been renting out his 120-acre farm for cash. This year his renter has found another place

and his entire 103 acres of cropland will go into the soil bank—23.8 acres of corn ground into the acreage reserve at whatever county average payment is determined, the rest into the conservation reserve at \$12 per acre per year rental.

TERMS OF BANK RENTAL

Land put into the conservation reserve will be seeded down to a grass-legume and left for 5 years. In addition to the \$12 per acre payment he will receive 80 percent (between \$9 and \$10 per acre) of the cost of establishing the cover crop. That payment will be made only once, the first year. Land put in the acreage reserve will be put in 1 year at a time. That program, at present, extends only through 1959. (Payments for acreage reserve land are refigured each year and those who wish to reassign their allotment acres to the acreage reserve in 1958 and 1959 will have no priority, as the program stands at present, over farmers who do not comply this year but may decide to next. That situation will probably be rectified to give the man who wants to stay with the acreage reserve preferential treatment in 1958 and 1959.)

Mr. Norgaarden plans to seed down his corn-allotment acres to a cover crop this year with the intention of reassigning them to the acreage reserve in 1958 and again in 1959. If he does that he will get a small bonus in 1958 (equal to an extra 10 percent of the normal 1958 payment, whatever that payment may be.) He will not get Government help in the cost of establishing a cover crop on land diverted to the acreage reserve, but he may receive an ACP payment for a conservation practice applied to that land, if the practice is first approved by his local ASC committee.

At the end of 1959 he has the choice of switching land, formerly in the acreage reserve to the conservation reserve, or of taking a hay crop from that land. (Remember, acreage reserve, as it now stands, runs out 2 years sooner than Mr. Norgaarden's 5-year conservation reserve signup.) In either case, there will be a sharp reduction in income from that land, if no changes are made.

"The way I have it figured, I can make a little more money from the soil bank than I could by cash renting," says Mr. Norgaarden. "That helps establish a higher social security base, gives me guaranteed income, and my land gets a rest."

Some other older farmers are looking at the program about that same way. Quite a few landlords are insisting on compliance with the allotment program and some on soil-bank compliance, says Sa Peterson, head of the program in the Minnesota State ASC office. Some young landowners, renting their farms to neighbors in past years, will rent them to Uncle Sam this year and continue to work off the farm.

Many, many others, though, won't go into the program regardless of how it may be changed.

In Nobles County, Minn., for example, of 4,200 farmers eligible to vote on the corn referendum last December 11, only 953—less than 1 out of 4—did vote. Three of four farmers, apparently, had no intention of complying with a corn program, regardless of what it might be. "The way it looks to us right now, if the present program goes through we may have as high as 60 percent of all the cropland in the county in corn next year," estimates Nobles County officials. That is an unprecedented acreage planted to one crop.

"I haven't been in the program in past years, and I sure can't go in now," says young Wilbert Plieseis, Sibley County. "I plant about 30 acres of corn a year, feed part of it and sell the rest on the open market. Last year I got \$1.42 per bushel for some of my corn; in 1955 I got \$1.10. This year, if I stayed within my allotments, I'd have only 17.5 acres. If I put 5 or 6 acres of that in the silo, there wouldn't be enough left to do anything with."

Charles Cramer, a Blue Earth County farmer, feels about the same way. "Up until this year I stayed in the program, sealed my corn, brought unsupported corn to feed, and was money ahead. But I'm on the fence now. I normally plant about 50 acres of corn. This year my allotment is 38.7 acres. With this \$300 per acre land, it's pretty hard to leave much of it idle."

Melvin Hatlestad, Minnehaha County, S. Dak., who has also always complied in the past, feels the same. "I've got a normal corn base history of 100 acres. This year my allotment is only 57.6 acres. I'm not sure, yet, what to do. "However," continues Mr. Hatlestad, who is also Minnehaha County ASC office manager, "farmers feel a change is coming. In my own case, if I could put, say, 60 acres into corn and an additional 18 into the acreage reserve (approximately his allotment had the December 11 referendum been approved), I'd be

tempted to go along. I might even put another 10 acres into the conservation reserve."

Quite a few farmers, hoping for a change in the program, would like to see allowances made for adding acreage reserve acres above present allotments. Anton A. Resler, chairman of the Steele County, Minn., ASC committee, for example, points out that "I'd be willing to put the balance between my allotted acres and my soil-bank base acreage (historic base from which this year's 42 percent cut was made) into the acreage reserve. Then I'd go along with the soil-bank program. But as the program stands, I won't comply."

State officials, too, would like to see revisions in the program. "There is obvious need for controls," points out a Minnesota official. "We hope for enough modifications in the program to get at least some compliance."

Will the changes—if there are to be changes—come in time for farmers to firm up plans before corn planting? That, too, is one you can scratch your head about.

Senator HUMPHREY. In going back over these figures we have of \$1.26 for noncompliance, \$1.31 or \$1.37 for compliance, depending on the bill, do you think \$1.50 a bushel is too much for compliance corn?

Mr. McLAIN. To put it this way, in the light of current supplies of corn under the flexible price-support program and keeping in mind what other commodities are doing, I think that is what you have to look at. I try to be fair.

Senator HUMPHREY. I know you are very fair.

Mr. McLAIN. It just seems to me that if this were done that other commodities would rightfully say, "Why should not the same thing be done for us?"

I think if you get into that kind of hassle we will never get this corn legislation.

Senator HUMPHREY. We provide tighter compulsory soil-bank requirements under the \$1.50 proposed. You do not get the \$1.50 premium rate by just putting some land, any land that you have off some place else, in the corner—you must take 15 percent of your allotted acreage out of corn. There is no other commodity that has that strict a provision.

Mr. McLAIN. Of course, the marketing quotas are about as strict as anything that can be.

Senator HUMPHREY. That is correct.

Mr. McLAIN. We have them of tobacco, cotton, and wheat.

Senator HUMPHREY. What is the price-support level on those?

Mr. McLAIN. Cotton is 77 percent. Wheat is—you can get them.

Senator HUMPHREY. About 80.

Mr. McLAIN. About 80 or a little over 80.

Senator HUMPHREY. That is what I am talking about here. You have corn with only a 15 percent allowable carryover under the law, which is very low.

Mr. McLAIN. Well, we will actually have considerably more.

Senator HUMPHREY. And you have corn under price-support levels which are being talked about as only a little over 70 percent.

It seems to me that if you give a price support of around \$2 or \$3 which is about what \$1.50 comes out, if I am not mistaken, you would certainly be fair with other commodities.

Mr. McLAIN. I would imagine that the cotton farmer would not say that. That, of course, is a matter of judgment.

Senator HUMPHREY. I am talking about an edible commodity.

Mr. McLAIN. Cotton is just as important to the cotton farmer as corn is to the other farmer.

Senator HUMPHREY. That is correct. What is his rate in support?

Mr. McLAIN. 77 percent of parity.

Senator HUMPHREY. Is corn entitled to 77?

Mr. McLAIN. We have indicated our support of the proposal here.

Senator HUMPHREY. Cotton has minimum allotments—corn does not.

Mr. McLAIN. That is right.

Senator HUMPHREY. Cotton has a 30 percent carryover, for price-support calculations; corn has 15. All I am trying to get at is where do we draw the line when you get to economic justice on this for the price-support level for corn?

Mr. McLAIN. We announced the support level under the allotment program. It was 77 percent when we announced it. Parity has gone up as you all know.

It had to be announced ahead of the referendum so the farmers would know what they were voting on.

Senator HUMPHREY. Representative Schwengel, we will be glad to hear from you now.

STATEMENT OF HON. FRED SCHWENGEL, REPRESENTATIVE IN CONGRESS FROM THE FIRST CONGRESSIONAL DISTRICT OF IOWA

Representative SCHWENGEL. Mr. Chairman, I appreciate the opportunity afforded me to appear before this subcommittee to present very briefly my views with regard to the corn and feed grain situation.

My district is in the heart of one of the greatest agricultural States of our Nation, and one that depends a great deal on corn in the farm economy.

I would like to impress on the members of this subcommittee the vital necessity of immediate action on the corn base acre problem.

In many areas of our Nation corn planting will begin within a few weeks. Furthermore, the deadline for participation in the acreage reserve program for corn in 1957 is April 15.

I am sure that the members of this subcommittee are familiar with the Agricultural Act of 1956 dealing with corn and the corn farmers' participation in the soil bank.

I am sure that you are aware that 61.5 percent of the farmers voting in the referendum held on December 11, 1956, said that they favored the farm base acreage approach rather than to return to the corn acreage allotment program.

I think it was unfortunate that the Congress required a two-thirds vote in this referendum. A clear majority—59.5 percent—of the corn farmers voting in Iowa favored the base acreage approach, and in my district 65.6 percent favored the base acreage approach.

Under the provision of law as it now stands farmers in the commercial corn area will not comply with the 37.3 million acre allotment, and I think we will see roughly 58 million acres of corn planted in the commercial area in 1957.

This simply means a continuation of a surplus position in corn, with consequent adverse effects on livestock production and prices, and this will have an effect on the whole economy of the Nation.

It is contended by some that giving corn growers a corn base acreage of 51 million acres, for purposes of participating in the soil bank and price support, is unfair in relation to cotton and wheat farmers.

There does not seem to be much disagreement that (a) the acreage taken out of wheat and cotton has mainly gone into feed grains, (b) as a result, feed grains produced on these diverted acres have been substituted for corn, and (c) this has resulted in the feed grain surplus appearing in the corn carryover which (d) has caused the decline in corn acreage allotments.

Farmers in the commercial corn area as determined for 1957 have continued to plant approximately 58 million acres, even though allotments have decreased in the past few years, until now the allotment is 37.3 million acres.

Without a change in this situation, most commercial area corn farmers will not participate in the soil-bank program and thereby will not contribute to bringing supplies into line with demand.

As a shortrun proposition, farmers can make more money growing corn for livestock. They cannot afford to cut 37 percent from their normal corn planting to get down to their corn allotment in order to begin to participate in the soil bank.

On the average a corn farmer with 50 acres of corn would be required to cut to approximately 32 acres and then be paid an average of \$43 for each acre he cut below the 32 figure.

Surplus feed grain, estimated by the United States Department of Agriculture at 800 million bushels, was grown on acreage diverted in 1954 and 1955, most of which was taken out of wheat and cotton for which cotton and wheat farmers received price supports.

Both directly and indirectly Government price supports have subsidized the production of surplus feed grain. Surplus feed grain has resulted in surplus livestock which has weakened livestock prices.

Therefore, farmers everywhere are paying heavily for uneconomic price supports which are causing shifts into livestock production.

Corn farmers do not have a minimum national corn allotment or base similar to the minimum for wheat and cotton. If the allotments for wheat and cotton were to be determined on the basis of what is needed to keep supplies in line with demand, as is done in the case of corn, the national cotton allotment would be 3.9 million acres instead of 17.6 million acres; the national wheat allotment would be 12.4 million acres instead of 55 million acres.

Senator YOUNG. Would you yield for a question?

Mr. SCHWENGEL. Yes.

Senator YOUNG. Do you think that would be fair?

Mr. SCHWENGEL. If you will listen to the conclusion, Senator, I think I can suggest an answer to that.

Senator YOUNG. You are asking for the cooperation of people. I am willing to give it to you. But I hope you don't criticize the wheat farmers too much, because the wheat farmers are having just as difficult a time as other farmers.

Mr. SCHWENGEL. I don't mean to.

To return to my statement:

From the foregoing, it is logical to assume that if cotton and wheat are to be treated the same as corn, if corn is given a minimum base of 51 million acres with the requirement that at an acreage of cropland equal to 15 percent of the farmers' allotment must be taken

out of cropland and put into the soil bank, you would have the following equation.

Here I quote the figures taken from the State Department, and I would like permission to insert them in the record at this point.

Senator HUMPHREY. It may be done.

(The figures referred to are as follows:)

	Corn	Wheat	Cotton
(a) Present acreage needed to keep supplies in balance with demand (millions of acres) ¹	37.3	12.4	3.9
(b) Percent increase to bring corn to 51 million acres and wheat and cotton to a comparable basis.....	36.8	36.8	36.8
(c) Acres increase on a comparable basis (millions of acres).....	13.7	4.5	1.4
(d) Farmers would begin to earn soil bank acreage reserve payments when they cut below the following acreage (millions of acres) (a)-(c) if corn, wheat and cotton were on same basis.....	51.0	16.9	5.3
(e) Minimum allotment for 1957.....	0	55.0	17.6
(f) Advantage of wheat and cotton over corn on the basis of each commodity keeping supply in line with demand (millions of acres).....		38.1	12.3

¹ Supply and demand formula in present acreage allotment and marketing quota laws. See AAA 1938 and amendments in other acts down through the Agricultural Act of 1956.

Source: U. S. Department of Agriculture, statement Jan. 29, 1957, before the Senate Agriculture Committee.

Mr. SCHWENGEL. This clearly shows that the wheat and cotton farmers would not be treated unfairly if the proposed 51 million-acre soil bank is used. In addition to the advantage minimum allotments give cotton and wheat, those farmers are not required to contribute to the soil bank, such as is required of corn farmers.

I recommend that this committee consider immediately S. 1125, and let's pass this bill through the Senate just as quickly as possible. This bill, in my opinion, offers the best compromise.

This compromise will simply provide that each corn farmer in 1957 will have the same choice as he had in the referendum that was held on December 11, 1956. Why not let the farmers vote with their corn planters? Let us not forget that 61.5 percent of those voting last fall voted for the base acreage approach. If those voting for the continuation of acreage allotments at 37.3 million acres want to choose this program, well and good, but how, in good conscience can the Congress refuse to give the farmers of the commercial corn area this clear choice?

Individual farmers already have both their base acreage and allotment figures which would be applicable under this proposal. There would be little administrative work to be done by the Department of Agriculture or the local ASC offices. Therefore, immediate consideration and passage of a temporary corn program for 1957 is urgently needed, and I, for one, will find it difficult to explain to the corn farmers in my district why the Congress was reluctant to pass this very badly needed legislation, other than to simply observe what the thinking farmer knows too well, that he is being used as a pawn politically. In my mind, it is high time to quit playing politics with the farmers and farm economy all across our Nation. Time is running out. If we honestly want to do something for the farm economy, let us get at it immediately.

I am sorry that we have had to delay until this time to get at this problem, but I want to commend the committee and the chairman for taking it up at this time, so that we may have some solution in time to be of some help to the corn farmers all across the Nation.

Thank you.

Senator HUMPHREY. Thank you very much, Congressman.

I think the Congressman was trying to explain, Senator Young, not that there should be any reduction in the minimum allotment for cotton and wheat, but only trying to evaluate that picture, as related to the corn picture. I don't think the testimony ought to indicate any hostility toward the minimum allotment of wheat and cotton. Is that right?

Mr. SCHWENGEL. That is right.

Senator YOUNG. I may have misunderstood your statement. I don't think you are saying that the wheat farmers are opposed to this corn program. I know of no such movement on the part of those representing them in Congress, or even the farmers themselves.

Mr. SCHWENGEL. I was merely using figures to justify our position in demanding some action for the corn farmers. I have no reason to want to revert the wheat farmer or cotton farmer or tobacco farmer or any other farmer in America, because I think it ties in the overall program.

Senator YOUNG. I think that the legislation is badly needed, and I think we ought to act on it immediately.

Senator HUMPHREY. On the matter of the percentage required, the percentage of farmers required to make a choice of corn programs, the two-thirds figure is not unusual. That is used for allotments, is it not, Mr. McLain?

Mr. McLAIN. It is used for marketing quota votes. But this at the time, in our opinion, involved nothing anything like quota.

With marketing quotas, which require a two-thirds vote, you are compelling the other third to live within those marketing quotas. There is nothing like that involved in this at all. It is purely a voluntary program, and, in our opinion, ought to have been on a majority basis.

Senator HUMPHREY. Did the Department send up any adverse comments relating to the two-thirds? I don't recall.

Mr. McLAIN. Yes. We were for the other approach.

Senator HUMPHREY. Did you at the time we debated this in the Senate send up any letter or communications opposing the two-thirds?

Mr. McLAIN. I am not sure how it was presented.

Senator HUMPHREY. I don't recall any; there may have been.

Mr. McLAIN. I believe that this was our position.

Senator HUMPHREY. It was your position to have a simple majority?

Mr. McLAIN. Yes.

Senator HUMPHREY. And you expressed that?

Mr. McLAIN. I believe so.

Senator HUMPHREY. I think it would be interesting to find that. I don't recall it myself.

Mr. McLAIN. We will be glad to do it.

Senator AIKEN. I think the two-thirds vote was put in one of those last-minute compromises.

Mr. McLAIN. That doesn't solve the problem today.

Senator HUMPHREY. I grant you that it doesn't, but there has been quite a little to-do made about it. And may I point out that marketing quotas are compulsory only when you participate in the program, and this is only compulsory when you participate, too.

Mr. McLAIN. But you have got a third of the farmers—32 percent can vote against them—and they are compelled to live with it. There is nothing like that in this at all.

Senator HUMPHREY. That is, if you participate.

Mr. McLAIN. There is just no compulsion in this at all; you either do or don't, according to your own wish.

Senator HUMPHREY. I have here in my hands a tearsheet from Wallaces' Farmer and Iowa Homestead for March 2, 1957, which says:

Corn vote compared with corn loans. Counties marked X had 50 percent or more of farms in the corn program of 1954-55. Counties marked O gave a two-thirds vote to the administration's plan in the referendum. In general, counties who used the corn loan most were inclined to vote against the administration plan.

What did corn vote mean? Did referendum show farm approval of administration's corn loan proposals?

And then they give an analysis here, which I think it would be well to have in the record at this point, and I am going to ask that it be placed in the record.

That tearsheet from Wallaces' Farmer and Iowa Homestead dated March 2, 1957, is as follows:)

[From Wallaces' Farmer and Iowa Homestead, March 2, 1957]

WHAT DID CORN VOTE MEAN?—DID REFERENDUM SHOW FARM APPROVAL OF ADMINISTRATION'S CORN LOAN PROPOSALS?

In the corn referendum in December, 61.2 percent of the farmers voting approved the administration's plan. The rest chose the allotment plan.

Does this mean that a majority of farmers—if not the two-thirds required by law—support the Benson proposal?

Iowa figures throw some light on this. Iowa cast the most votes of any one State. Yet only 29.7 percent of the eligible voters went to the polls.

In Iowa, the vote came out like this:

	<i>Percent</i>
1. For Benson plan.....	17.7
2. For allotments	12

Why was such a light vote cast? One Democrat had this explanation: "Neither plan was any good. You had to choose between cutting your own throat and letting Benson do it."

Some found the two plans hard to understand. Some had other reasons for not voting. But the main point is that in Iowa—and probably in other States—around 70 percent of the eligible voters did not vote.

To find out the opinion of voters and of those who did not vote, Wallaces' Farmer and Iowa Homestead took a survey among 1,100 men subscribers scattered over 7 States. About two-thirds were in Iowa.

The big question was to find the opinion of the farmers who didn't vote. These folks were asked:

"If you didn't vote, which of the following reasons kept you from voting?

"1. Couldn't understand the two plans.

"2. Didn't like either of them.

"3. Too busy to bother.

For men subscribers in Iowa alone, the vote came out like this:

	<i>Percent</i>
1. Couldn't understand.....	16
2. Didn't like either.....	57
3. Too busy.....	10
4. Other reasons.....	17

For the area as a whole, the answers were about the same with "Didn't like either" getting a vote of 52 percent.

In the whole Wallaces' Farmer and Iowa Homestead area, those who didn't understand the plans or didn't like them, amounted to 71 percent of those who did not vote. These farmers outnumbered the ones who voted for the Benson proposal.

Did political beliefs have anything to do with the vote in the corn referendum. Yes. Here's the breakdown for the whole area by Wallaces' Farmer and Iowa Homestead:

[Percent]

	<i>Ike voters</i>	<i>Stevenson voters</i>
1. For Benson proposal_____	71	31
2. For allotments_____	29	69

Did politics show up in the vote on "Didn't like either"? No. Of the farmers who didn't vote in the referendum, 55 percent of the Ike supporters said "Didn't like." So did 51 percent of the Stevenson supporters. On this point, at least, they were agreed.

Looking back to the November presidential election, how did men subscribers in the whole area divide their votes between Eisenhower and Stevenson?

Here is the report:

	<i>Percent</i>
Eisenhower_____	56
Stevenson_____	44

As expected, Minnesota gave Stevenson the biggest boost. Illinois was the strongest Eisenhower supporter. Iowa was in between.

As our readers will remember, a careful check of the Iowa townships classified by the census as 85 percent rural-farm gave Eisenhower 53 percent of the vote. The same townships gave 47 percent to the Republican candidate for Senator and 45 percent to the Republican candidate for governor.

Senator HUMPHREY. Congressman, do you have anything more to say?

Mr. SCHWENGEL. No.

Senator HUMPHREY. The next witness is Mr. Frank Woolley, legislative counsel of the American Farm Bureau Federation.

Before we start, Mr. Woolley, Mr. McLain may have to leave us, and if he does, before he leaves, there is some information that I have tried to get from time to time on a matter which has been alluded to here this morning, namely, the Government sales of corn from the Commodity Credit stocks, and the charges that this has had an adverse effect on prices.

I have here, for example, from the Wall Street Journal for Tuesday, February 26, 1957, a special staff report on price and production trends affecting industry. It says:

CORN SURPLUS PILES UP FASTER THAN UNCLE SAM CAN SCOOP IT AWAY

Sales of Government-owned corn since October 1 total over 160 million bushels, twice the year ago figure. Grain men blame the 11-cent drop in corn prices since last November on this brisk business; they say it's driving more of the yellow grain into the support shelter.

The Government sells older surplus corn, in danger of spoiling, back to growers. Midwest farmers snap up some of this corn for as little as \$1.15 a bushel, or about 10 cents under the support level for the farmers who ignored acreage allotments. The prop for farmers who abided by planting curbs is \$1.50. Some farmers put their own corn under support, feed the bargain Government grain to their livestock.

What are your comments relating to that story, Mr. McLain? We have never been able to get from the Department just how much corn the Department has moved under this sales program into the domestic market. I get all kinds of figures on the export market.

Mr. McLAIN. We are developing those. They will be available to you this week, Senator.

Senator HUMPHREY. They are going to be available to us this week?

Mr. McLAIN. Yes.

Now, I would like to say a word about this, because I think there is some misinformation about.

As you know, in Minnesota, Illinois, Indiana, and Ohio, we have the problem of a heavy takeover of not only 1956 corn but a lot of resealed corn. In our bins, we have quite substantial amounts of corn which go back to 1952. As custodians of the corn and the taxpayers' money, and the protectors of the farmers' interests here, we can't let this corn sit much longer, because it ought to be moved.

Well, now, we realize that we had a floor of \$1.25 under all corn for every farmer. Those that complied with the allotments, of course, got the higher rates. We felt that some of this corn should be rotated. And we recognized when it was rotated, we would probably take over new corn, but we thought that was wise management.

Now, when you compare the price with a year ago, and remembering that we have from 300 million to 400 million bushels more than a year ago, the price has been higher than it was a year ago. Granted it dropped a little when we started moving heavy amounts, but it is quite a bit above where it would have been otherwise, because of the action we took with this \$1.25 loan.

We would be happy to furnish the figures as to how much has been moved and where it is going. A high percentage is going into the drought feed program, some is going into export, and a high percentage is being reconcentrated, where it grades No. 2 or better. A good deal of it is being sold locally, where it does not meet the requirements of storage, and we feel that the farmers at the county level ought to be given a chance to buy it.

We think, if the facts are all laid out, you would agree that the program is being handled wisely.

Senator HUMPHREY. You feel, in other words, that the Government's sales program has not been price depressant?

Mr. McLAIN. I would say this: We never sell anything out of our stocks unless it has a price-depressing effect, Senator; you just can't do it.

Senator HUMPHREY. Even when you use a process of rotation where you fill in as fast as you sell out?

Mr. McLAIN. Obviously, anyone buying corn knows that we have these stocks. They know that if it moves into export it is a replacement of what might have come out of the free stocks, and you just don't sell out of our hands unless you do depress the market to some extent.

Senator THYE. At that point, Mr. McLain, \$1.25 support on the noncomplier did not necessarily mean that the man got \$1.25——

Mr. McLAIN. That is correct.

Senator THYE (continuing). When he sealed that corn up. It averaged about, to the Midwest farmer, \$1.15, did it not?

Mr. McLAIN. Well, it was somewhere between \$1.15 and \$1.25. I was talking about the national average.

Senator THYE. I mean, when he sealed up his corn——

Mr. McLAIN. It doesn't mean everyone got \$1.25.

Senator THYE. In the Midwest he received about \$1.15 in the actual loan.

Mr. McLAIN. It depends upon where he was. There were areas where it was above \$1.25. The rates are established according to certain freight differentials. For instance, near Chicago you would have a different rate than near the edge of South Dakota.

Senator THYE. Very true. But there has been some misconception that the \$1.25 meant \$1.25 to the man, and in reality it didn't.

Mr. McLAIN. It is a national average; you are right.

Senator AIKEN. Did not the price of corn drop when it appeared there might not be legislation to correct an unfavorable situation?

Mr. McLAIN. The world knows, and every user of corn in this country knows, how much corn is on hand. The figures are available to everyone in the Department, and quite naturally, with this carry-over apparently headed in the direction of a billion and a half bushels that isn't a very bullish effect on anybody's market.

Senator AIKEN. Don't you feel that enactment of good legislation with the requirement for participation in the soil bank would have a strengthening effect on the corn price?

Mr. McLAIN. Yes, sir. I think you would see it immediately.

Senator HUMPHREY. Are you trying to move some of this spoiled corn into industrial purposes?

Mr. McLAIN. I don't want the record to show that we have much spoiled corn, Senator Humphrey, because we do not. We have done a good job, we think, of caring for the corn. Obviously, some of this corn, if it is 4 or 5 years old, ought to be used in some way, and ought not to be kept. And any that isn't any longer storable is offered back at the country point, to start with, so that the farmer gets first chance at it.

Senator HUMPHREY. Yes, sir.

Mr. Woolley?

STATEMENT OF FRANK K. WOOLLEY, LEGISLATIVE COUNSEL, AMERICAN FARM BUREAU FEDERATION

Mr. Woolley. We appreciate this opportunity to present our recommendations concerning the surplus-feed-grain situation in relation to the current corn problem. The early passage of a simple bill designed to meet the problems of corn producers is urgent, because plans for spring planting are being made and farmers must know as soon as possible what type of corn program will be in effect in 1957.

Of the 440,000 corn farmers voting in the referendum last December a strong majority of 61.5 percent voted against acreage allotments of 37.3 million acres and price support at \$1.35 per bushel and voted for lower supports of \$1.31 per bushel and a soil-bank base of 51 million acres with the requirement that an acreage equal to 15 percent thereof be put into the soil bank.

It is unfortunate that Congress required a vote of 66 $\frac{2}{3}$ percent for corn farmers to put into operation the kind of a program which, in the opinion of corn farmers, would more effectively meet the feed-grain-surplus problem. We now need for this year a workable substitute for the program for which the majority voted in the December referendum.

Before we come to our specific recommendations——

Senator YOUNG. Would you mind a question at that point?

Mr. WOOLLEY. Not at all.

Senator YOUNG. There was a provision in the Agricultural Act last year which would have permitted farmers to vote on whether or not they preferred a domestic parity or two-price system. That was a two-thirds vote, too. Would you be willing to let the wheat farmer decide by a majority vote whether he want a two-price system or the present system?

Mr. WOOLLEY. I am glad you asked that question, because there seems to be quite widespread misunderstanding about the 66 $\frac{2}{3}$ requirement on the one hand and the favoring of a majority vote on the other.

Any program which has the effect of imposing more restrictions or controls, where one group of farmers is imposing a mandatory provision providing a penalty against other farmers, we would require a 66 $\frac{2}{3}$ -percent vote. However, in the case of corn, it was not a mandatory proposition, as was discussed here earlier. And I know in the case of a quota program of any kind, the producers who vote against it are required by law to comply with it or to pay a penalty, or go to jail if they don't pay the penalty.

Now, this is a very restrictive proposition, and we say that certainly you ought to have at least two-thirds of the farmers voting in a referendum that would impose that kind of restriction on their freedom.

When restrictions are being taken off a program or the restriction is being modified or minimized, then we say that rather than requiring two-thirds you ought not to require more than a majority; to be consistent, one-third should be all that is required to eliminate restrictions.

Senator YOUNG. Mr. Woolley, that is exactly what the opponents of domestic parity believed, that we were getting away from restrictions, and they hoped there would be a majority.

Mr. WOOLLEY. As I recall the wheat certificate plan that was presented to the Congress—there have been a number of ones discussed and a number of ones presented, but the one that was presented to the Congress last, as I recall, had in it a provision for the retention of certain requirements involving participation in the program. It was not a voluntary program, as I recall. Was it?

Senator YOUNG. Well, it would be less restrictive.

Mr. WOOLLEY. Perhaps.

Senator YOUNG. Less restrictive than the present program.

Mr. WOOLLEY. It might be less restrictive than a marketing quota program is now.

Senator HUMPHREY. You registered opposition last year at the time we voted in Congress on that two-thirds?

Mr. WOOLLEY. Yes.

We favored a majority vote in the corn referendum.

Senator HUMPHREY. Were you against two-thirds?

Mr. WOOLLEY. Yes; we were opposed to two-thirds.

Senator HUMPHREY. And you so registered your opposition?

Mr. WOOLLEY. We did what we could. I think it has been mentioned that this was done at the last minute, and I think that there was a bill or an amendment pending before the Congress that provided for 50 percent. And then I think there was another one that was offered that went through at 66 $\frac{2}{3}$ percent, as I recall the legislation.

Senator HUMPHREY. And you made your views known?

Mr. WOOLLEY. We did everything we could to make it clear we were in favor of the majority deciding the issue.

Before we come to our specific recommendations, we would like to make a few comments in an effort to bring the overall problem into focus. The current situation seems to be:

(1) The time for planting corn throughout the main commercial corn area of the country is only a few weeks away.

(2) Well over one-half of the corn farmers in the commercial corn area have in past years disregarded corn acreage allotments as established in conformance with the present law.

Senator HUMPHREY. Would you explain why?

Mr. WOOLLEY. Yes.

Senator HUMPHREY. Is it because they feed most of this?

Mr. WOOLLEY. No; that isn't the reason why.

If you will permit me to finish my prepared statement I think the reason is developed therein. Therefore I would like to go through it, and then if you have questions, we could come back to it.

Senator HUMPHREY. Go ahead. Thank you.

Mr. WOOLLEY. (3) The 1957 corn acreage allotment of 37.3 million acres is over 20 million acres less than the acreage of corn planted in 1955 in the commercial corn area as it is constituted in 1957.

(4) Since commercial corn area farmers are required to cut down approximately 20 million acres before they are either eligible for price support or can begin to participate in the acreage reserve part of the soil bank, a considerable number of farmers will conclude it is to their interest to ignore both of these programs in 1957. Most farmers are almost certain to conclude that they can make more money growing corn for livestock than by participating in such programs.

That isn't the reason, however. There is another reason that is much more fundamental than this, that is the immediate reason why they will conclude not to participate.

It is difficult for an individual farmer to see how he can profitably cut 37 percent from his normal corn planting to get down to his corn allotment in order to begin to participate in the soil bank. For example, a farmer who has been planting 50 acres of corn would be required to cut to 32 acres and then be paid an average of \$43 per acre for each acre he cut below 32 acres. A low rate of participation in the corn adjustment program will mean a further buildup of corn surpluses and depressed corn prices.

(5) In the face of a severe drought in a large area of the Corn Belt in 1956, production of corn was the second highest in history.

(6) Combined feed supplies of all kinds are the largest in history.

(7) Livestock production is at an all-time high and live stock product prices have been depressed as a result of the volume of production.

(8) If action is not taken to effectively assist farmers to bring corn supplies into line with demand, livestock and livestock product prices probably will go lower in the future.

Repeatedly the statement is made that "cheap feed means cheap livestock." While this is true, it is misleading to conclude that the answer is to support the price of feed grains at higher prices.

The "cheap feed means cheap livestock" argument doesn't commence in the right place. It would be more accurate and meaningful to say "Surplus feed means cheap feed and cheap livestock." The beginning of the problem is surplus feed and in seeking sound economic solutions to the surplus feed problem, there should be some examination of the reasons why we have surplus feed.

Before going into the reasons for a surplus of feed, it probably is necessary to deal with the question of whether or not the present supplies of feed and feed grains constitute a surplus.

The facts are that (1) the feed grain supply has increased from 4,733 million bushels in 1951 to 5,717 million bushels in 1956—the highest in history. This is an increase of about 1 billion bushels; (2) the supply of feed grain per animal unit has increased from 28.3 bushels to 35.3 bushels—the highest in history; (3) the production of cattle, calves and pork—excluding lard—has steadily increased from 21⅓ billion pounds in 1951 to 27⅓ billion pounds in 1956; (4) the prices of beef cattle received by farmers have steadily declined from \$28.70 per hundredweight in 1951 to \$15 in 1956; the prices of hogs have gone down—up—and back down from 1951 to 1956, from \$20 in 1951, to \$17.80 in 1952, up to \$21.60 in 1954 and back down to \$14.40 in 1956.

Of course, the committee understands that these are average prices received by farmers throughout the country, and that they are yearly average prices.

Attached are three tables setting forth the facts concerning corn acreage, yield, and production in and outside the commercial corn area; data showing the increase in the feed grain supplies, the increase in cattle and pork production and the decrease in hog and beef cattle prices, as well as the details of how farmers voted in the corn referendum in December 1956.

Not only do we have the highest feed grain supply in history but we also have a huge supply of wheat which could be used for feed. The carryover alone, not counting last year's production, a large percentage of which is still available, is over 1 billion bushels—equal to the largest in history.

The surplus story doesn't end here. The supply of oilcake and meal and byproduct feeds is the highest in history—approximately 16 million tons. In the face of a severe drought in large areas of the country the supply of hay is near a record.

Senator HUMPHREY. Then why is it so expensive some places?

Mr. WOOLLEY. Some places?

Senator HUMPHREY. Excuse me.

There was a big argument the other day on the Senate floor between Senator Symington and Senator Goldwater over the prices of feed and hay.

Mr. WOOLLEY. It costs quite a bit of money to haul hay, and if there happens to be drought in Texas or Arizona and an effort is made to haul hay from Minnesota, obviously such a bulky product is very expensive to haul that far, and other kinds of feed can be hauled more cheaply.

Senator HUMPHREY. In other words, what has really happened is that the railroads, the transportation system, are getting an increased

cost for hauling hay and farm commodities, that have had a continuously reduced price?

Mr. WOOLLEY. I wouldn't put it on that basis. If they hadn't had any rate increases, it would still be uneconomical to haul it that distance. However, we are opposed to the freight-rate increases.

Senator YOUNG. But the freight rate for hay moving into the drought area has been cut, has it not?

Mr. WOOLLEY. I think the railroads made a 50-percent concession.

Senator THYE. Let me ask this:

If you are trying to haul it in a semitrailer, the load allowance, that is, the length and width is such that by the time you had the truck loaded to its maximum capacity, you haven't the tonnage, and by the time that you arrive in Oklahoma or Texas, you have got a greater cost in transportation and handling than you would have in the first purchase price of hay. That is your problem, because those are the factors involved.

You cannot transport it. That is one reason why the farmer in the South, in the drought area, is absolutely up against it. You can buy hay up in Minnesota for \$18 a ton, and it would still cost him about \$55 before it is in his feed lot in Texas.

Mr. WOOLLEY. Yes.

Not only do we have one of the largest supplies of hay in history, along with all the other feed, but it is reasonable to assume that pastures throughout the country are at the highest productivity.

From the foregoing, it does not seem unreasonable to refer to our feed situation as being excessive or in surplus.

Many arguments are advanced that our problem is not surplus production but underconsumption. The per capita consumption of livestock and livestock products has been increasing steadily as well as the ability of consumers to purchase them. The Agricultural Marketing Service estimates that the consumption of meat in 1956 was 164.7 pounds per person as compared to 146.5 pounds per person (average 1947-49)—

Senator YOUNG. It doesn't look as though lower farm prices are going to solve the surplus problem by themselves, does it?

Mr. WOOLLEY. Lower prices are not the answer to the problem. The answer to the problem, in my judgment, is to stop the Government from pushing excess resources into agriculture before the market wants the products from such resources. As long as we continue to have program after program that pushes excess resources into agriculture, we are never going to have anything except a soft market. With commodities and products in surplus, the processors and the people that buy from the farmers will not have to compete to obtain their supplies, and poor farm prices will be the result.

Senator YOUNG. To what program do you have reference?

Mr. WOOLLEY. All of them—wheat, cotton, corn, peanuts, rice, tobacco—the whole process whereby excess resources are put into agriculture.

Senator YOUNG. You mean, you are opposed to the price-support program?

Mr. WOOLLEY. No; we are in favor of the price-support program to operate on a basis to assist farmers in marketing their commodities, but we do not favor building up price-destroying surpluses in the hands of the Commodity Credit Corporation.

Senator YOUNG. How do you account for the fact that we are increasing surpluses as the prices are going down? How do you square that with your philosophy?

Mr. WOOLLEY. Well, it is very simple. If you continue to pump excess resources into agriculture—let's go back to World War II—in World War II we expanded our agricultural plant to meet increased market demand and subsidized Government buying to meet the needs of our allies and this Nation for the war.

There were many people, when they saw the war coming, who took their capital out of other activities and put it into farming operations to do two things: to hedge against inflation, and also to avoid taxation as much as possible.

When the war was over, in 1948 the Congress very well recognized, as did the farmers throughout the length and breadth of the land, that there had to be some adjustment from a wartime market to a peacetime market. But we didn't get the adjustment, because we continued to maintain capital in agriculture by maintaining an artificial price structure through the continuation of 90 percent price supports year after year.

And as a consequence capital has been retained in agriculture which otherwise would not have stayed in agriculture. This has depressed the market for all those in the business.

Senator YOUNG. Secretary Benson, in a U. S. News & World Report interview of 2 weeks ago, stated that the price of agricultural commodities ranged far above support level during the war and for a year or two afterwards. I think the figure he gave was 115 percent of parity.

Maybe it is beside the point a bit, but I was intrigued by the argument you used, if you really believed that doing away with price support would solve the farm-surplus problem. That would be a different thing. I believe we are headed for about the same situation we had in the twenties and the thirties, when we are going to have surplus regardless of what the price is.

Mr. WOOLLEY. But why did we have the surpluses in the twenties? We had the surpluses in the twenties, in my judgment, because we expanded the agricultural plant due to World War I, and the contraction of the agricultural plant was at a slower rate than market demand.

Senator YOUNG. Why did you have surpluses all during the thirties, then?

Mr. WOOLLEY. One of the reasons we had surpluses during the thirties was the point I just made plus the stimulation of surplus production by the old Federal Farm Board.

Senator THYE. May I ask one question.

Was it a question of underpurchasing and the inability to buy other than the bare necessities of food requirements in the thirties, in those depression years?

Mr. WOOLLEY. It was a combination of two things. Purchasing power became very weak and production did not contract as fast as market demand. Our position is that we are for strong purchasing power in the entire economy.

Senator THYE. I think the history—the time of today is not comparable to the thirties.

Mr. WOOLLEY. Yes, sir.

Senator THYE. Today you have the highest purchasing power ever in the history.

Mr. WOOLLEY. Yes, sir.

Senator THYE. In the thirties you had the very lowest.

Mr. WOOLLEY. Yes, sir.

Senator THYE. In 1930 many and many a man's meal consisted of cornmeal mush, and some of the other of the cheapest food supplies. That was due to the fact that there was no purchasing power, the worker did not have a job, and the wages of the man that did have a job were very low, and therefore he had to be as economical as he could.

Eggs were not in demand, because the consumer couldn't afford to buy them. Neither were choice cuts of meat in demand. Therefore, it is a little different today.

I was intrigued by your comment of the resources growing. I would be better able to understand what you meant by that if you told me what went on with the former resources. Is it more land? We know there is more land. The Government begged for it at one time, because we had neither fats nor oils, nor did we have the staple agricultural commodities in the war years; we had embargoes to prevent exports in excess.

So therefore, it was a necessity for the farmer—and many a crippled old gentleman rode the machinery when he would have liked to have been in the shade of the tree. He was patriotic; he tried to meet the needs of the Government.

Now, the other, what resources are we now plowing into agriculture today, other than what is desirable? We have asked our experimental stations to do certain things, and we have provided the funds. We have asked our Extension people to convey to the farmer out in the countryside the knowledge that the experimental stations have gained in increased production, whether it is grain or livestock. That is all good.

Now, do you refer to this as a resource being plowed into agriculture?

Mr. WOOLLEY. I have reference to the fact, for example, that the Federal Government, through the last 20 or 25 years, has paid out billions of dollars for limestone and phosphate to improve pastures.

Senator THYE. That is what you had reference to?

Mr. WOOLLEY. In the case of the Corn Belt, the Government has held the price of corn up so high that large supplies of corn have been held off the market. This has induced farmers outside the Corn Belt to go into the production of feed grains. They have taken their own resources plus Government price support and other assistance and gone into the production of feed. By producing feed from these resources they have increased livestock production. Increased livestock and poultry production throughout the entire country has weakened prices for farmers inside and outside the Corn Belt.

Senator THYE. But, Mr. Woolley, there is only one factor that we must reckon with, and that factor is, much of it, I think, excellent weather conditions in the major feed-producing areas.

We have had droughts, that is true. You and I cannot correct the weather conditions, because that is left to a power that, thank God, you and I have no control over.

Mr. WOOLLEY. That is one natural law that Congress hasn't attempted to repeal.

Senator THYE. Yes.

But I think that the only reason for this discussion on your reference to plowing in the resources is to try to expand, or get a clarification of what you are thinking, in what have we put into agriculture. I don't want the record to show that it looks like the Government has done all the evil things here that have brought about a surplus; I don't want the record to reflect that.

I think that is the only reason that Senator Young and I have asked the questions, we are not differing with your statement, but I am trying to get an expansion of what you are thinking when you say, the Government has put these resources in here.

Mr. WOOLLEY. Let's take 1957. In 1957 the net farm income of farmers is estimated by the Department of Agriculture to be some place in the neighborhood of about \$11½ billion. This is the net realized income from all sources, farm and off farm.

At the same time, we will have a net realized farm income, you will have paid out in 1 year an average of in the neighborhood of around \$3½ billion to \$4 billion in the form of checks from the Commodity Credit Corporation—it doesn't have anything to do with losses, this is the amount of checks which will be paid out by the Commodity Credit Corporation.

In addition, soil-bank payments of \$1.2 billion, section 32 payments of \$900 million, and ACP payments of \$250 million could make Government disbursements exceed \$6 billion; or more than 50 percent of net realized farm income in 1957.

Senator HUMPHREY. But those are some loans, are they not?

Mr. WOOLLEY. Oh, yes.

Senator HUMPHREY. Well, that is a little bit different than just getting a gift. At least it is when I go to the bank; when I get a loan from them, they want it back.

Mr. WOOLLEY. I am not arguing that.

As you well know, Mr. Chairman, the farmer can satisfy the loan by doing one of two things: he can either pay it back, or he can let the Commodity Credit Corporation take the commodities.

Senator HUMPHREY. Just like you buy a car?

Mr. WOOLLEY. No, it isn't the way you buy a car. If you buy a car—

Senator HUMPHREY. Or buy a house. Let's take a 90 percent mortgage guaranty on a house. I am an old hand on this.

Mr. WOOLLEY. If I don't pay for my car, or my house, not only can the seller foreclose the mortgage but the seller can also file suit against me for the difference, and get judgment and levy an execution on any other property I have to satisfy the deficiency judgment; it is an entirely different proposition. One is a recourse loan, the other is non-recourse.

Senator THYE. I wouldn't want to get into this argument, but the only question is, I would agree with the chairman, the seal on corn is one that should be kept aside, and likewise the Government moneys invested in the seal-up of cotton, wheat, and peanuts, should be kept aside.

The Government assistance, and the fertilizer and phosphates on the pastures, that is the only phase of it where the Government comes in to encourage and improve the productive capacity of the land——

Mr. WOOLLEY. That isn't correct.

Senator THYE. What else could it be?

Mr. WOOLLEY. All kinds of activities are going on that have the effect of causing people to invest more money in agricultural production than they otherwise would invest if the Government didn't take the many actions it has taken.

Senator HUMPHREY. Can we come back to this? I think we are going to have to draw this morning's session shortly to a close. I don't want to cut off anybody, but I would like to hear Mr. Woolley through on his statement.

Senator THYE. Mr. Chairman, I am going to have to go and answer the quorum. You and I were listed as being absent on quorum last week when we were trying to fulfill committee assignments, and I am not going to have the Record show this week that I was not present when the quorum call was completed, because the Record didn't read good last week.

Senator HUMPHREY. It sure looks bad for both of us.

Senator THYE. Because some of us were trying to carry out committee assignments. So here is one gentleman that is going to answer our quorum call right now.

Senator HUMPHREY. We will try and complete Mr. Woolley.

Senator WILLIAMS. I might comment, in line with what Mr. Woolley said, I think he is correct that the Government has in many instances pumped additional money into the agricultural field and encouraged the production of those commodities which were in oversupply.

I point out particularly an instance where a couple of years we found that three agencies of the Government were making loans and encouraging the expansion of the poultry industry at the same time that the poultry products were in heavy supply, and at the same time that the Department of Agriculture, through its Information Bureau, was urging the farmers to cutback production. One agency was loaning millions into the same field, had their men out soliciting the farmers and asking them to borrow the money, and even financing the building of new poultry houses, while all the time there was an oversupply. This policy definitely reacted to the disadvantage of the farmers engaged in the poultry industry.

Mr. Woolley is 100 percent correct in the observation he made.

Senator HUMPHREY. This is an old argument between different points of view, and I don't want to go into it right now.

Before we go on, Senator Carlson, you wanted to make a request of the committee.

Senator CARLSON. I was going to make this request before the Secretary left. I would like to have the chairman of this committee request information of the Department of the increase in the amount of feed grains by States, by years, from 1950 to 1956. I think it is going to show an interesting trend, that the great surplus feed areas have been moving east of the Mississippi and Missouri Rivers much more than in the section out in the Middle West where we make great reductions on wheat acreage.

I think that the record should show that Kansas in 1951 planted approximately 18 million acres of wheat. This year we have an allotment of 10.8 million acres, our wheatgrowers have taken a severe cut in acreage. This year we planted 6.3, which is a large drop. But I would like that information on feed grains.

Senator HUMPHREY. That is 1950 through 1956, both years inclusive?

Senator CARLSON. That is right.

Senator HUMPHREY. 1950 to 1956.

Senator CARLSON. That is right. And on the basis of statements.

Senator HUMPHREY. That will be taken care of. The staff will follow through with the Department on that.

(The information is as follows:)

Summary: Tons of feed grains, total and excluding corn, 1950-56—Corn, grain sorghum, barley, and oats

[In thousands]

State	1950		1951		1952		1953		1954		1955		1956	
	Total (1)	Exclud- ing corn (2)	Total (3)	Exclud- ing corn (4)	Total (5)	Exclud- ing corn (6)	Total (7)	Exclud- ing corn (8)	Total (9)	Exclud- ing corn (10)	Total (11)	Exclud- ing corn (12)	Total (13)	Exclud- ing corn (14)
Maine.....	84.4	70.1	92.7	77.6	50.0	37.8	78.7	63.4	55.5	45.4	50.6	38.5	75.9	66.4
New Hampshire.....	18.8	1.3	16.9	1.2	15.3	1.2	17.6	1.2	16.4	.9	15.3	.5	10.7	.6
Vermont.....	101.2	11.2	102.1	15.2	96.5	12.8	96.2	9.4	97.3	8.8	98.1	7.8	81.2	6.9
Massachusetts.....	48.9	1.5	51.9	2.0	49.1	1.6	45.7	2.0	47.1	1.7	43.3	1.3	38.1	1.3
Rhode Island.....	8.9	8.5	8.5	.5	9.3	.5	9.7	.5	7.1	.1	7.7	.7	7.1	.6
Connecticut.....	53.7	1.1	52.1	1.0	44.1	1.0	51.4	1.0	57.9	1.1	46.9	1.0	54.1	.6
New York.....	1,362.7	560.8	1,442.0	636.9	1,424.6	503.4	1,312.5	439.2	1,382.6	458.9	1,472.7	517.8	1,406.6	451.7
New Jersey.....	298.8	37.2	311.4	39.5	320.7	32.6	326.0	36.1	314.4	45.6	197.3	44.6	381.5	44.6
Pennsylvania.....	2,285.9	600.8	2,348.8	647.4	2,329.8	481.7	2,261.9	581.1	2,604.3	736.7	2,468.7	750.5	2,676.5	667.9
Ohio.....	5,534.7	636.7	5,506.6	759.6	6,008.4	715.0	6,167.8	730.1	7,228.8	895.5	7,310.6	1,123.9	6,887.8	848.2
Indiana.....	6,697.2	749.2	7,530.9	771.3	7,194.1	752.7	7,476.4	709.1	8,414.0	902.0	8,867.0	1,135.2	9,274.8	971.5
Illinois.....	14,343.7	2,518.4	15,622.7	2,169.3	16,587.3	1,974.5	16,010.7	1,861.4	15,297.2	2,197.9	17,345.1	2,965.0	19,149.8	2,387.0
Michigan.....	2,610.6	902.0	2,876.7	943.1	3,125.1	795.5	3,193.3	723.8	3,313.6	831.6	3,605.5	996.3	3,439.2	627.5
Wisconsin.....	5,810.3	2,468.1	5,675.4	2,432.3	6,251.1	2,197.3	6,191.9	2,037.7	6,377.0	2,094.4	6,120.8	2,284.8	6,766.9	2,087.0
Minnesota.....	9,409.4	3,891.2	10,293.1	4,329.5	11,349.7	3,454.5	10,633.7	3,202.6	11,241.6	3,557.0	11,836.3	3,858.1	12,591.6	3,359.9
Iowa.....	17,675.7	4,370.0	16,468.2	3,056.8	22,221.9	3,409.4	18,947.5	2,356.4	19,598.0	3,646.7	18,771.5	4,149.9	17,007.1	2,400.1
Missouri.....	5,685.3	753.6	4,133.7	437.1	5,191.7	421.8	4,365.7	546.2	3,435.2	1,086.6	5,812.4	2,256.2	6,418.4	1,115.0
North Dakota.....	2,866.3	2,171.5	2,758.7	2,139.3	1,999.5	1,430.8	2,728.9	2,046.8	3,111.9	2,414.1	3,707.9	2,836.6	3,356.3	2,473.3
South Dakota.....	4,696.4	1,864.9	4,737.9	2,340.4	4,644.6	1,746.2	5,497.8	1,712.0	5,242.7	1,964.7	4,272.8	1,827.9	3,915.8	949.1
Nebraska.....	8,203.5	1,231.2	6,512.5	1,060.9	8,247.9	865.9	6,626.4	823.8	7,083.2	1,512.9	4,165.0	1,157.1	3,924.8	652.6
Kansas.....	4,148.3	1,642.4	3,489.5	1,857.2	2,501.4	825.9	2,702.1	1,277.8	3,432.1	2,266.2	1,730.5	1,730.5	2,201.3	1,385.4
Delaware.....	214.1	11.7	225.0	13.1	257.8	10.8	255.6	12.4	193.9	15.7	188.9	17.5	202.1	19.1
Maryland.....	687.1	87.7	730.3	90.7	765.1	87.4	736.2	92.7	733.0	127.3	713.3	124.7	925.5	124.1
Virginia.....	1,368.2	121.4	1,290.6	125.1	1,015.3	130.1	833.6	138.1	1,059.0	191.7	1,108.3	187.9	1,302.6	197.8
West Virginia.....	276.6	30.0	263.0	29.3	262.4	27.1	299.2	27.2	296.7	35.0	238.8	34.6	297.8	29.8
North Carolina.....	2,280.2	203.0	2,106.3	213.2	1,774.6	217.4	1,896.3	264.6	1,795.7	359.3	2,359.3	360.9	2,689.7	430.4
South Carolina.....	1,080.7	210.2	932.9	195.9	744.7	214.2	907.3	259.2	604.5	283.5	1,083.8	262.2	1,344.8	344.8
Georgia.....	1,650.7	149.5	1,596.1	122.4	1,292.5	165.6	2,019.3	261.5	1,210.3	256.1	2,091.1	212.9	2,080.3	258.5
Florida.....	242.9	2.6	300.1	5.6	293.8	17.3	318.9	17.0	284.3	10.6	343.8	12.3	351.2	10.2
Kentucky.....	2,297.6	60.9	2,306.3	47.8	1,695.0	59.6	2,041.7	92.5	1,941.9	137.3	2,335.8	116.7	2,457.7	122.9
Tennessee.....	2,079.1	101.8	1,776.3	86.2	1,220.1	104.6	1,634.8	153.8	1,221.2	166.7	1,886.2	170.2	1,707.2	203.6
Alabama.....	1,644.4	46.7	1,351.8	27.1	803.4	44.2	1,495.2	83.3	954.9	95.5	1,999.5	95.2	1,693.8	106.9
Mississippi.....	1,517.8	58.4	1,411.1	46.1	847.5	81.9	1,109.3	142.2	1,004.7	235.9	1,576.9	221.1	1,361.1	264.9
Arkansas.....	992.5	89.7	705.4	55.3	458.9	68.7	467.1	136.8	489.3	264.8	876.6	329.0	882.6	376.1
Louisiana.....	472.6	17.2	446.0	19.2	371.6	26.6	377.4	37.8	393.4	60.4	600.3	72.5	523.3	58.8
Oklahoma.....	1,314.0	632.3	1,127.1	534.7	546.5	274.6	638.1	458.6	744.3	649.9	894.6	667.5	621.8	473.5
Texas.....	6,105.7	4,469.9	3,360.5	2,210.5	2,951.8	1,847.9	3,106.7	2,203.7	5,382.4	4,470.4	5,931.9	4,579.8	4,609.1	3,840.1

Montana.....	844.9	755.3	482.0	421.9	501.9	449.0	575.5	494.7	968.3	891.2	1,260.3	1,148.3	910.3	826.5
Idaho.....	547.2	508.3	417.5	374.0	488.0	426.3	459.8	396.1	705.6	628.7	720.7	625.2	636.0	527.0
Wyoming.....	203.0	179.3	206.2	184.4	187.5	158.0	158.4	124.5	147.7	110.1	177.8	129.1	153.8	114.4
Colorado.....	712.2	337.9	803.5	398.0	683.7	323.8	725.8	366.5	667.3	338.4	878.0	400.2	828.1	325.4
New Mexico.....	291.7	260.3	142.4	117.9	72.6	51.0	101.9	74.6	181.6	153.6	210.8	180.2	148.5	116.0
Arizona.....	306.9	293.9	163.1	154.1	206.0	194.2	262.5	248.2	512.7	496.6	503.9	468.9	421.3	379.7
Utah.....	277.6	185.6	209.3	173.7	217.3	170.9	227.9	167.8	237.1	177.0	237.0	185.5	239.8	180.7
Nevada.....	24.8	22.8	24.3	20.9	24.4	20.9	26.4	21.9	21.0	17.6	17.6	14.2	27.5	21.9
Washington.....	373.8	342.4	228.6	189.2	228.7	191.7	250.6	207.5	751.4	682.2	636.8	576.0	723.4	644.7
Oregon.....	431.4	402.7	409.1	374.3	446.8	414.6	436.4	405.5	704.2	650.5	647.7	579.4	768.2	701.0
California.....	1,760.0	1,671.5	1,309.4	1,226.3	1,651.5	1,555.4	1,680.2	1,562.3	2,301.1	2,030.1	2,466.8	2,014.0	2,413.4	2,008.2
United States.....	121,835.9	35,736.7	113,096.5	31,175.0	119,671.5	27,495.9	117,480.5	27,612.6	123,865.1	38,243.8	130,902.5	40,469.5	129,759.7	33,123.6

Senator HUMPHREY. Now, Mr. Woolley, go right ahead.

Mr. WOOLLEY. I think I have made the statement that the per capita consumption of livestock products has been increasing steadily, as well as the ability of consumers to purchase them.

The Agricultural Marketing Service estimates that the consumption of meat in 1956 was 164.7 pounds per person as compared to 146.5 pounds per person average, 1947-49, and 125.3 pounds per person average, 1935-39.

We favor the continued increase in the consumption of livestock and poultry products. However, such increases should not come at the expense of the producers of these products through uneconomic prices.

With agricultural prices depressed by surpluses and income of the nonfarm population reaching new high records year after year, it is time we did something constructive about cutting down on the surpluses which are holding down farm income.

800 million bushels of surplus feed grain were grown on acreage diverted from price-supported crops in 1954 and 1955. Most of the 30 million acres taken out of wheat and cotton went into feed grains. In effect price support on these basic crops has constituted a payment for shifting from these crops into feed grains.

For years pastures have been improved by the application of limestone and phosphate. A considerable sum of Federal tax money has been paid out to induce this pasture improvement. While this has built up our soil resources, it has also contributed to increased feed supplies.

Livestock and poultry production has been built up as a result of the surplus feed situation.

With 55 percent of the net farm income of all agricultural producers coming from livestock and livestock products, the situation calls for action now.

Last year the soil bank was passed too late for it to have any significant effect on cutting surpluses. We are late now in getting action on the corn problem. Unless effective action is taken immediately, we can expect that the soil bank and other adjustment programs in 1957 will be ineffective in helping alleviate the depressing effect of feed surpluses on farm prices and income.

Reasonable efforts to induce corn farmers to cooperate in reducing feed grain production should not be looked upon as special treatment for corn farmers since most farmers throughout the country are adversely affected by surplus feed supplies. As matters stand now corn farmers are the only ones producing feed grains who are required to cut acreage to be eligible for price support. Producers of price-supported crops have been free to shift acreage out of such crops into feed grains. Feed grains produced on these diverted acres have been substituted for corn in producing livestock and poultry products. This has forced surplus feed grains, mainly corn, into Commodity Credit Corporation storage bins. This excess supply of corn forced down the corn acreage allotment.

Thus it can be seen that the operation of the price-support and production-adjustment programs generally has shifted to the corn farmers a great share of the burden for cutting production of other crops. Corn farmers were not responsible for the huge feed-grain supplies produced on the acreage diverted from wheat, cotton, rice,

peanuts, and tobacco, yet such feed-grain supplies indirectly operate to lower corn allotments to unreasonable levels.

Of course, since all feed ultimately finds its way into the production of beef, pork, mutton, lamb, poultry, eggs, and milk, it is the producers of these products who finally suffer from surplus feed production which, when translated into their products, results in lower and lower net farm income from livestock and poultry products.

SPECIFIC RECOMMENDATIONS

The American Farm Bureau Federation wants to find a long-range solution to the surplus feed problem in order that we may have healthy markets. We are sure that this subcommittee is aware of the many difficulties involved at this late date in getting a long-range solution to this problem. Since it is impractical to deal with long-range solutions now, our recommendations relate to specific actions that should be taken at this time.

Accordingly we recommend to the Congress that you pass S. 1125, which is a temporary measure designed to meet this problem in 1957. This bill simply gives the farmer an opportunity to decide by the use of his cornplanter which of two programs he prefers. They are the same choices offered him in the December 1956 referendum. Those farmers who want to stay within the 37.3-million-acre allotment with price supports of \$1.36 per bushel (national average) would be free to do so without being required to participate in the soil bank. On the other hand, those who would like to make a contribution to the holding down of production by putting acreage into the soil bank would be free to choose price supports at \$1.31 per bushel (national average), plant their share of the 51-million-acre corn base and put an acreage equal to 15 percent of such base in the soil bank.

Senator HUMPHREY. May I just pause right there on your rhetoric and your words. You say those farmers who want to stay within the 37.3-million-acre allotment with price supports of \$1.36 per bushel would be free to do so without being required to participate in the soil bank.

Mr. WOOLLEY. That is right.

Senator HUMPHREY. You say, on the other hand, those who would like to make a contribution to holding down production—

Mr. WOOLLEY. That is right.

Senator HUMPHREY. May I say that anybody who participates in the 37.3 allotment is holding down production allotments more than anybody who would participate in the 51 million?

Mr. WOOLLEY. That may or may not be true.

Senator HUMPHREY. He would sure have to be taking a mighty big cut.

Mr. WOOLLEY. That may or may not be true. I would certainly say—

Senator HUMPHREY. I am not advocating it, don't misunderstand me, I am not advocating it. I think this is a situation where corn is the only basic commodity that doesn't have a minimum allotment. As was pointed out here earlier, if the other commodities had to take a cut in acreage on the basis of carryover like corn did, it would be a terrible blow to those particular commodities.

Mr. WOOLLEY. If the other commodities hadn't have had minimum allotments and along with corn been free to shift into feed grains, you wouldn't be asking for a minimum allotment on corn.

Senator HUMPHREY. I don't get that, Mr. Woolley.

Mr. WOOLLEY. Well, the fact that there has been freedoms in the cotton, wheat, and corn areas to go ahead and take acreage out of those crops and put them into feed grains has been the thing that has built up the surpluses of corn to a point where corn acreage allotments are down where they are.

Senator HUMPHREY. I personally think that the thing that built it up last year was guaranteeing noncompliers \$1.25 a bushel, that is my personal view.

Mr. WOOLLEY. It didn't happen in one year.

Senator HUMPHREY. It happened——

Mr. WOOLLEY. It started in 1929 with the old Farm Board and it will be with us as long as we continue to misallocate resources.

Senator HUMPHREY. You continue to have a surplus?

Mr. WOOLLEY. Yes, when you add wheat to the billions of bushels of other commodities and the current crop, I say it is a double carry-over, and I say it will ruin the corn farmers and the livestock farmers.

Senator HUMPHREY. If you draw up that kind of an assumption you can scare anybody. I am talking about what the facts are. I have seen times when you had only 5 days of oats on supply, or 10 days of rye, or 15 days of barley, or something like that. When you put 1 or 2 weeks of feed supply, plus, let's say, a billion bushels of corn, it isn't quite so bad, is it?

Mr. WOOLLEY. What I am saying is, every farmer is directly aware of this, that corn isn't the only feed grain.

Senator HUMPHREY. Of course it isn't some of us have been saying that for years. I have been trying to get a bill through here that would relate other grain prices to corn on the basis of feed equivalent value. I think if you are going to have a price-support structure, you should take the values on the basis of their feed value, not on the basis of pounds or bushels, but feed value.

Mr. WOOLLEY. Price isn't the primary problem. It is the surpluses and the fact that the products would be fed interchangeably.

Senator HUMPHREY. Surely. There is no disagreement on that, except we haven't had any support for it. I have had bill after bill to try to relate feed grains and corn on the basis of feed equivalent, always with no help.

Mr. WOOLLEY. Price, of course, is an end product of something else. What the Farm Bureau has tried to do is get understanding of the basic proposition that the cotton farmer, the wheat farmer, the tobacco farmer, the peanut farmer, and the rice farmer, may have high price support and controlled production but shouldn't be permitted to take the acres out of those commodities and dump them into feed grain production and into livestock production.

Senator HUMPHREY. I voted for that one and I didn't get any help.

Mr. WOOLLEY. We have had opposition on cross compliance. We have had opposition on every effort to breathe responsibility into this proposition so that those people who say they want higher supports are required to solve their own problem. What they want to do is shift the problem from themselves over to somebody else. The fact

that the other fellow can't see the problem coming and can't see the drift, nevertheless, doesn't make it something that we are going to advocate.

Senator HUMPHREY. Mr. Woolley, I do not disagree with your basic premise. I recall that my colleague and I were both supporting what we called cross compliance, compulsory compliance I voted for that once. I don't recall that the Farm Bureau showed any enthusiasm for that vote, but that is their privilege. I also pointed out that if you are going to have people forced into cross compliance, that you must pay them enough for what they can produce. You can't expect people to be forced to divert land, produce nothing on it, if they don't get enough for what they could produce off the land that is in production, because it just costs so much to live. This is what is happening all over the country.

Mr. WOOLLEY. What we are opposed to is the misrepresentation that is involved. We hear people say they are willing to keep supply in line with demand in return for price support. They don't mean it. What they mean is, they are willing to shift acreage out of the production of the supported crop into other crops. This gluts the market for other commodities and weakens their markets.

Senator HUMPHREY. Under my proposal, if you get 100 acres as your corn allotment on your farm, in order to get price support you must take 15 acres of that out, and put it in the acreage preserve and produce nothing.

Mr. WOOLLEY. That is what we advocated originally in the soil bank, and it didn't get into law.

Senator HUMPHREY. I am advocating it now and you don't support it.

Mr. WOOLLEY. Well, what you are trying to do is raise the legal carryover on corn from 15 percent to 30 percent which would put more and more problems on the corn farmer.

Senator HUMPHREY. Just suppose we take that out, just leave it out.

Mr. WOOLLEY. You take that out and we will be a lot happier, but that doesn't mean that we will support it.

Senator HUMPHREY. I want to get your support. How can we do it?

Mr. WOOLLEY. Our support can be—

Senator HUMPHREY. When did you quit believing in cross compliance?

Mr. WOOLLEY. We have been in favor of cross compliance all along.

Senator HUMPHREY. Are you in favor of a 15-percent reduction of corn allotments?

Mr. WOOLLEY. We are in favor of a requirement that an acreage equal to 15 percent of the soil-bank base of 51 million acres be put into the soil bank to be eligible for price supports on corn.

Senator HUMPHREY. So you can take it out of pasture or anything else?

Mr. WOOLLEY. We say it has to come out of cropland.

Senator HUMPHREY. Fifteen percent?

Mr. WOOLLEY. That is right.

Senator HUMPHREY. But you are not in favor of taking it out of the corn which seems to be in surplus?

Mr. WOOLLEY. Well, it would have the same effect.

Senator HUMPHREY. Does it?

Mr. WOOLLEY. Yes; because we would take it out of cropland that is tilled in normal rotation, and we don't think that you ought to stop normal rotation.

Senator HUMPHREY. I don't think so either. You have a 51-million-acre base. I am interested in your observations on this, Mr. Woolley. You represent a great organization. You have a 51-million-acre base. If you are going to take 15 percent out, why don't you take it out of the crop that seems to be, as you say, in a great deal of trouble? Fifteen percent out of the corn allotment will help the other feed grains, too.

Mr. WOOLLEY. With 58 million acres being the normal planted acres, in the commercial corn area, as it is constituted in 1957, you will be, by going to a 51 million soil-bank base, automatically making an adjustment of 7 million acres. That is quite a contribution to begin with.

Senator HUMPHREY. Indeed it is.

Mr. WOOLLEY. Then we say that after 7 million acres are taken out of production plus an acreage of cropland equal to 15 percent of his cropland tilled in rotation is taken out this is a real contribution to a reduction in feed supplies. However, we are strongly of the opinion that a 1-year program is an invitation to increase production. We think that the rates of payment for 1-year production ought to be nominal, and that the rates of payment for additional years ought to be higher, so that it encourages farmers to hold land out of production more than 1 year and make a real contribution to reduction of production. We were quite pleased when the Congress last year directed recognition of this. However, administratively it hasn't been effectively recognized.

Senator HUMPHREY. I just want to make a little prediction. I think this will happen; we will most likely pass a bill that provides for 15-percent reduction in any croplands, but I will wager it won't reduce any corn production.

Mr. WOOLLEY. You and I, of course, recognize a number of things with respect to production, for example: Rain in an area, that makes a difference—I understand there are a number of people here now from areas where they didn't get much rain last year.

Senator HUMPHREY. I hope and pray they do.

Mr. WOOLLEY. Of course, everybody who is interested in farmers prays for that—but at the same time—

Senator HUMPHREY. I want the record clear. I hope and pray they do. The last time I made a statement like that it got in the paper "do not," and I want to make sure it's "do."

Senator HICKENLOOPER. Coming from Iowa, don't let silence on my part create the impression that I have a different feeling.

Mr. WOOLLEY. There are a lot of inputs into production besides acreages. The Farm Bureau doesn't contemplate that if 15 percent of a base is taken out of production that a 15-percent reduction in production would result. We believe that continuing to produce at the rate we have been producing, and continuing to stimulate production, means the end of healthy markets. We are for healthy markets.

Senator HUMPHREY. Mr. Woolley, I don't disagree with you, and I am not going to take any more of your time, but if what you say is true, what is the future for the farmers? First of all, if you can't

really completely control production because of certain circumstances, you can at least try. You can get some element of control. Some of it works if it is strictly enforced. You then cut down on the number of units that the farmer produces. But if the fellow doesn't get a good price, it just means he is going out of business.

Mr. WOOLLEY. Well, of course——

Senator HUMPHREY. You don't advocate that you make it all up with Federal payments? I haven't noticed that your position is that.

Mr. WOOLLEY. No.

Senator HUMPHREY. What happens to this fellow? What goes on here? Does he run through the wringer; is that what happens?

Mr. WOOLLEY. What happens to a Senator who fails to serve his constituents satisfactorily to a point where they do not vote for him? He goes back to the constituency that he came from——

Senator HUMPHREY. Not always, but sometimes.

Mr. WOOLLEY. He does the best he can under the circumstances, and does that which he is capable of doing under the circumstances. He doesn't starve.

Senator THYE. Mr. Woolley, possibly I would be more interested in that question of what happens to a Senator than Senator Hickenlooper, who was just successful last fall, but I won't discuss that phase of it. But, Mr. Woolley, speaking now about a corn producer I believe that there are a lot of corn producers here today from Iowa—the signs on their coats would indicate that. Now, I would say that if I asked them how many of those corn farmers are today planting a corn growth 38 inches wide or apart, how many are planting it that way—now, there is some headshaking, what width do you have between your corn rows as an average in Iowa today?

A VOICE. 12,000 to 14,000 plants, per acre.

Senator THYE. Yes; but what percent in area? Are you hill dropping your corn, or checking it?

A VOICE. Less than a third.

Senator THYE. You are mostly all checking, you are checking today at——

A VOICE. It is the other way.

Senator THYE. You are hill dropping about a third.

The only reason, Mr. Chairman, that I ask these questions, here are the men in the field, and here is a room full of good farmers. Today they are planting the rows about 38 inches apart on the average—some said 36 and a few said 41. If they are checking it, they are checking it on the same distance between hills. If you are hill dropping, you are hill dropping about 19 to 22 inches apart; aren't you?

Now, how many of you farmers would go back to planting 44-inch rows, 44 inches apart? How many of you farmers would go back to drilling your corn without any regard to the spacing, and not using any fertilizer? None of you farmers are going to go back to the method that was in practice 40 years ago; are you?

Why did you change? Your experiment station proves in all of its tests that it was the most wise spacing to space about 38 inches apart and that your hill drop, it was found out that under good management, that maybe 22 inches was the safest distance apart within 2 kernels to a hill.

Now, when your experiment station told you that, and when they told you that you had the safest crop with commercial fertilizer and hybrid seed, commonsense dictated you to use it; didn't it?

You wouldn't go back to yesterday any more than we will go back to driving an old model T down the highway just because we wouldn't go as fast although we would probably get by a little cheaper with the model T.

Mr. Woolley, the only reason that I raised that question was to point out that you can't get a farmer to go backward, I don't care what you say, in any sort of testimony, you cannot tell the Beltsville Experiment Station out here to do a certain thing—and we gave them the money to do it with—without their telling the county agents, and the county agents go out in Minnesota and Iowa and tell the farmers what the experiment station found to be a sound practice. You are going to have that farmer use that practice.

Mr. WOOLLEY. I hope by that comment that you don't mean that you think that we favor farmers doing anything except producing the best they know how, the most efficiently, and at the lowest unit cost.

Senator THYE. I know you don't because I am a Farm Bureau member, and have been for many years. I know the philosophy of the Farm Bureau. But I will say this:

That there was one statement of yours, the Government resources being plowed back, that left me in a quandry as to what you meant. If you had reference to resources such as land, or fertilizer, or ground lime rock, all that constitutes a teaching of better management and better economic practices on the farm.

Mr. WOOLLEY. It has gone away beyond teaching. It is a subsidization of the application of it.

Virginia has some place right now between 5 and 8 million acres of broomsedge land, most of which, if sufficient money is spent on it, can produce livestock and livestock products.

Government payments can encourage bringing this land into production and produce products which would be marketed in competition with the people already in business.

That is what we are talking about; why put more people through Government subsidies in competition with the farmers that are already farming?

Senator THYE. When you speak about payments, what kind of payments do you have reference to?

Mr. WOOLLEY. I have tried to make the point that there are a number of them——

Senator THYE. But what kind of payments, now? Let's get right down to the specifics.

Mr. WOOLLEY. I thought I made it clear here, but obviously I didn't.

Senator THYE. Unfortunately, I went over to answer quorum, and then when I got over there I found out they had called it off. Last week they didn't call any of them off. That is why I wasn't here.

I don't want to be argumentative. You only made one remark in your question, and that was plowing back the resources, that led me to ask these farmers of Iowa what spacing they had in their corn rows, because if this was one of the phases of your thinking, then I was going to disagree, and I was going to prove by these farmers' actions here that they disagreed with you.

Mr. WOOLLEY. Let's take cotton, for example——

Senator THYE. Let's go back. What are the other payments that are made on the part of the Government that would, outside of assistance in the line——

Mr. WOOLLEY. Add resources to agriculture?

Senator THYE. Yes.

Mr. WOOLLEY. The first one is ACP payments. The second is price support payments, when acreage taken out of one price-supported crop is dumped on another crop. That was 27——

Senator THYE. I disagree with that philosophy. I was advocating the soil bank before you were, my friend. I was advocating soil bank as the only reasonable way of controlling acres of land and getting them out of production, and not changing them from one basic crop over into a nonbasic, such as a feed crop. I advocated that when you didn't, my dear friend.

Mr. WOOLLEY. The Farm Bureau has been advocating responsibility with respect to diverted acres ever since I have known anything about the Farm Bureau. As you know, I didn't join the Farm Bureau until 1951. But in the Department of Agriculture——

Senator THYE. I am an oldtimer, I was in the picture long before that.

Mr. WOOLLEY. When I was with the Department of Agriculture——

Senator THYE. But the basic resources that are plowed into it, what would you say outside of ACP payments?

Mr. WOOLLEY. That is what I was trying to say. If 10 million acres of land is taken out of cotton and put into feed grains this weakens feed grain prices.

Senator THYE. That was wrong. I tried to get a soil-bank program.

Mr. WOOLLEY. You and I agree.

Senator THYE. Yes, sir.

Mr. WOOLLEY. There were 77 million acres in wheat, and it was cut down to 55, most of the 22 million acres went into the production of feed. This has had the effect——

Senator HUMPHREY. Sorghum in the Southwest and barley in the Northwest. In my book that was wrong, because it immediately competed with the corn farmer and robbed the farmer of the market that he justly had, and should have had.

Mr. WOOLLEY. That was Government-subsidized competition.

Senator HUMPHREY. And I tell you it was wrong; the soil bank was a necessity.

Mr. WOOLLEY. That is right. That was Government-subsidized competition.

Senator HUMPHREY. What do you mean by "Government-subsidized competition"? On those diverted acres in there, there was no Government subsidy.

Mr. WOOLLEY. What would have happened if price support on cotton had been at more modest levels; would there have been as much acreage taken out of cotton and put into feed grains?

Senator HUMPHREY. No. He would have just continued to plant cotton all along.

Let's face it. You have some sad alternatives.

Mr. WOOLLEY. I am willing to face it.

Senator HUMPHREY. That is a long time off. Let's talk about what is going to happen to those farmers next year.

Mr. WOOLLEY. In my judgement, any person who does not have the capacity to farm efficiently should not be subsidized to continue to produce to overload the market.

Now, if you want to treat some people as charity patients, and if you want to——

Senator HUMPHREY. I don't want to treat them as charity patients. But the man's interest rates have gone up, the credit terms are tougher, the transportation rates have gone up, he can't hardly breathe air without paying for it.

Mr. WOOLLEY. The Government has raised his cost——

Senator HUMPHREY. The Government raising costs? What about a tractor?

Mr. WOOLLEY. How much of that do you think is taxes?

Senator HUMPHREY. Don't give me that.

Mr. WOOLLEY. How much is the budget this year? It is \$72 billion.

Senator HUMPHREY. The taxes didn't go up one nickel on Oldsmobile and yet the cars have gone up three or four hundred dollars.

Mr. WOOLLEY. Do you think that taxes are not in everything that everybody buys?

Senator HUMPHREY. Of course; but don't give me that as the main reason for higher prices.

Mr. WOOLLEY. There is over a hundred billion dollars in taxes taken out of the economy every year, and farmers buy more commodities for production than any other group of people, and they pay taxes on every item they buy, direct and indirect.

Senator HUMPHREY. My friend, the corporation tax rate is lower in 1956 than it was in 1953, but farm prices are lower in 1956 than in 1953, and what the farmer buys is higher.

Mr. WOOLLEY. Why did they go up?

Senator HUMPHREY. That is what we have been trying to find out for a long time.

Mr. WOOLLEY. You know that laboring people talk about wages after taxes. You know that the railroads talk about their profits after taxes. You know that every industry talks about them after taxes, and they load taxes onto everything.

Senator HUMPHREY. Right.

Mr. WOOLLEY. An automobile that I bought in 1940 for \$834 now carries on it a price of about \$2,300, \$2,400, and about \$600 of that you can identify directly as taxes.

Senator THYE. Well, Mr. Woolley——

Mr. WOOLLEY. That is what the farmer——

Senator HUMPHREY. Your argument is that taxes on corporations or on individuals are less in 1956—the rate—than they were in 1948, and yet the farmer's income in 1956 is less than it was in 1948?

Mr. WOOLLEY. Everybody's taxes are being put into their costs—the railroad's taxes are being put into their costs?

Senator HUMPHREY. Everybody knows that. Mr. Woolley, my theory is that there are some built-in costs and unless you are going to have prices that are able to keep up with that you are going to go broke. I would like to ask you what you mean when you are talking about all of this overproduction. What you are really saying is that some people have got to get out.

Mr. WOOLLEY. I am saying that we have to produce what the markets will really take.

Senator HUMPHREY. What does that really mean?

Mr. WOOLLEY. That means that those people that can produce for the markets and do it at a profit ought to stay in, and those that can't ought to get out.

Senator HUMPHREY. Do you have any idea which of these farmers around here ought to get out?

Mr. WOOLLEY. I think most of the farmers in the Farm Bureau are in favor of farmers staying in the farming business who have the ability and capacity to do so and I don't think most of them want to have their competitors subsidized any more than any other businessman wants a competitor subsidized.

Senator HUMPHREY. Go ahead.

Mr. WOOLLEY. We stopped at the proposition of the two alternatives that were before the farmers.

This has the highly desirable feature of not requiring a lot of extensive administrative work in that each farmer was given his allotment under both alternatives prior to the December referendum. It does not offer the farmer anything more in 1957 than they were offered in the referendum in December of 1956.

Senator HUMPHREY. How many corn farmers voted in that referendum?

Mr. WOOLLEY. 440,000 approximately.

Senator HUMPHREY. And how many of them are there?

Mr. WOOLLEY. According to the estimate of the Department of Agriculture there are a million-seven-hundred-odd thousand, and this includes all of the small fellows. When the 440,000 corn votes are compared to wheat, it should be remembered that farmers with allotments up to 15 acres of wheat are excluded from voting. In the case of corn farmers with a 1-acre allotment could vote, so that they are not comparable.

Senator HUMPHREY. So that really the corn vote ought to be much larger, since anybody can vote, and in the wheat vote you are excluded up to 15 acres.

Mr. WOOLLEY. The question is the degree of interest. I don't know whether a man with 1 acre would vote. I think 440,000 farmers throughout the Nation is a pretty sizable vote when you take into account that they were only given 30 days to make up their minds and find out about it from the time it was offered to them.

Senator HUMPHREY. I just wanted to get the exact figure.

Mr. WOOLLEY. The president of the American Farm Bureau Federation, when appearing before the House Agriculture Committee a number of weeks ago, on the subject of corn legislation, made it clear that we would be more than willing to try to work out the feed surplus problem as it relates to acreages taken out of other crops such as wheat, cotton, rice, peanuts, and tobacco. It was made clear, however, that such work should not interfere with making it possible for corn farmers to participate in the soil bank in 1957 on a realistic basis so that they could make a contribution to bringing supplies into line with demand at this time.

In conclusion, may we again urge that full recognition be given the fact that time is of the essence and if legislative action is to be effective in improving the program for 1957, it must be taken with the utmost dispatch.

As I mentioned, attached hereto, are the tables which indicate that the feed surplus situation is overwhelming, that production of cattle and pork has been going up, the prices have been going down. Also, there is a table showing the vote in the referendum. You asked specifically how many of the votes there were and, according to the Department of Agriculture, it was 437,480.

(The tables referred to are as follows:)

United States corn acreage, yield, and production in and outside commercial area, 1953-57

	1953 ¹	1954 ¹	1955 ¹	1956 ¹	1957 ¹
Commercial area.....number of counties.....		834	805	840	894
Allotment.....acres in thousands.....		46,996	49,843	43,281	37,289
Planted:					
Commercial area.....do.....	58,909	58,724	58,524	56,877	
Noncommercial area.....do.....	² 56,544	² 55,994	² 55,086		
Yield:	22,665	23,461	22,573	21,680	
Commercial area.....bushels per acre.....	45.2	43.9	43.8	49.6	
Noncommercial area.....do.....	24.0	20.4	29.6	29.0	
United States.....do.....	39.3	37.2	39.8	43.9	
Production:					
Commercial area.....millions of bushels.....	2,665	2,580	2,562	2,823	
Noncommercial area.....do.....	545	477	663	629	
United States total.....do.....	3,192	3,010	3,185	3,452	

¹ Basis 1957 commercial area unless otherwise indicated.

² Actual acreage—for example, 58,724,000 is the acreage in the commercial area for 1954, on the basis of the 894 counties which are in the area in 1957. Actually there were 56,544,000 acres in the commercial area for 1954.

Source: AFBF, compiled from USDA data.

Specified data re feed grain supplies, beef and pork production, cattle and hog prices

Item	1951	1952	1953	1954	1955	1956
Million bushels						
Feed grain supply: ¹						
Corn.....	3,666	3,779	3,979	3,978	4,265	4,617
Oats.....	1,158	1,069	1,025	1,230	1,329	1,057
Barley.....	257	228	247	379	401	372
Grain sorghums.....	163	91	116	235	243	205
Rye.....	6	7	8	9	9	7
Wheat.....	104	84	77	60	54	60
Total feed units ²	4,733	4,687	4,897	5,201	5,556	5,717
Grain per animal unit (bushels).....	28.3	29.5	31.3	32.2	33.7	35.3
Million pounds						
Cattle and calves production.....	9,896	10,819	13,953	14,610	15,146	15,900
Pork production.....	11,481	11,527	10,006	9,870	10,991	11,300
Total.....	21,377	22,346	23,959	24,480	26,137	27,200
Per hundredweight						
Hog price received by farmers.....	\$20.00	\$17.80	\$21.40	\$21.60	\$15.00	\$14.40
Beef cattle price received by farmers.....	28.70	24.30	16.30	16.00	15.60	15.00

¹ Calculated as follows: Corn, carryover of old corn on Oct. 1 plus total crop; oats, Oct. 1 stocks; barley, total crop; grain sorghums, total crop; wheat and rye, production fed to livestock during year beginning July.

² Calculated by applying the following factors: Corn, 1,000; oats, 0.503; barley, 0.806; rye, 0.850; wheat, 1,125; and grain sorghums, 0.950.

Sources: AFBF compiled from U. S. Department of Agriculture data.

December 1956 corn referendum vote by States

State	For corn base acreage program	For corn acreage allotment program	Total votes cast	Percent favoring base acreage program	For corn base acreage allotment program
Alabama.....	3,223	633	3,856	83.6	16.4
Arkansas.....	1,123	761	1,884	59.6	40.4
Delaware.....	336	44	380	88.4	11.6
Georgia.....	3,898	625	4,433	85.9	14.1
Illinois.....	58,592	13,949	72,541	80.8	19.2
Indiana.....	29,147	9,917	39,064	74.0	25.4
Iowa.....	51,724	35,177	86,901	59.5	40.5
Kansas.....	3,793	3,545	7,338	51.7	48.3
Kentucky.....	11,014	1,620	12,634	87.2	12.8
Maryland.....	817	399	1,216	67.2	32.8
Michigan.....	8,032	2,678	10,710	75.0	25.0
Minnesota.....	10,939	35,495	46,434	23.6	76.4
Missouri.....	10,987	12,488	23,475	47.8	52.2
Nebraska.....	16,676	16,655	33,311	50.0	50.0
New Jersey.....	361	87	451	80.7	19.3
North Carolina.....	16,042	4,317	20,359	78.8	21.2
North Dakota.....	235	591	826	28.5	71.5
Ohio.....	17,236	6,943	24,179	71.3	28.7
Pennsylvania.....	2,555	904	3,459	73.9	26.1
South Dakota.....	4,831	13,126	17,977	27.0	73.0
Tennessee.....	9,158	1,377	10,535	86.9	13.1
Virginia.....	1,009	972	1,981	50.9	49.1
West Virginia.....	229	13	242	94.6	5.4
Wisconsin.....	7,315	5,979	13,294	55.0	45.0
Total.....	269,185	168,295	437,480	61.5	38.5

Mr. WOOLLEY. I thank you.

Senator HUMPHREY. Anything else, Mr. Woolley?

Mr. WOOLLEY. That is all, sir.

Senator HUMPHREY. I think we will recess, gentlemen, until 2 o'clock.

(Whereupon, at 12:35 p. m. a recess was taken until 2 p. m. of the same day.)

AFTERNOON SESSION

Senator HUMPHREY (presiding). The committee will come to order. Is Mr. Stockdale here? Who are you with? You are not representing an organization as such?

Mr. STOCKDALE. No, independent farmers.

Senator HUMPHREY. Fine. Mr. Baker, would you mind if we have Mr. Stockdale precede you?

Mr. BAKER. That will be all right.

Senator HUMPHREY. Is that agreeable with you?

Mr. BAKER. Very agreeable.

Senator HUMPHREY. Fine. Come right ahead, Mr. Stockdale.

Won't you have a chair right here?

Mr. Elmer Stockdale of Iowa Falls, Iowa; is that correct?

Mr. STOCKDALE. Yes.

Senator HUMPHREY. I would like to enter into the record a statement by Senator Jenner relating to the subject matter before us and ask that it be printed as if read.

STATEMENT FILED BY THE HONORABLE WILLIAM E. JENNER, A UNITED STATES SENATOR FROM THE STATE OF INDIANA

Corn planting time in Indiana is just a few days away. It is urgent that the Congress take whatever action it intends to take with respect to corn within the next few days.

Last year legislation concerning the soil bank was so long delayed that the soil-bank program did not have any opportunity to make a contribution to a reduction in production.

Of approximately 40,000 Indiana corn farmers voting in the referendum last fall, approximately 75 percent favored a program of lower price supports and a soil-bank base of 51 million acres with the requirement that, in order to be eligible for price supports, an acreage equal to 15 percent of the farm soil-bank base be put into the soil bank.

A simple bill to this effect was introduced by Mr. Dirksen of Illinois and I am sure it would meet the approval of a large segment of the Indiana corn farmers.

However, Senator Hickenlooper of Iowa and others have introduced S. 1125 which makes it possible for those corn farmers who want a lower price support and increased acreage to comply with such a program in 1957 and those who would like a higher support and a lower acreage to likewise participate by complying with that program.

Since this bill enables the corn farmers in 1957 to carry out whichever program they prefer, I think it would be the most acceptable solution at this time.

The surplus feed situation is threatening to undermine the prices of livestock and livestock products. Farmers of my State are anxious that we have some kind of a workable program for corn in 1957 to help bring supplies into line with demand.

They recognize that acreage taken out of wheat, cotton, and other crops in order to be eligible for price support on those crops has been put into the production of feed grains. They also recognize that this is a problem that must be dealt with.

However, since the question of diverted acres has been considered for a number of years without any action being taken that would effectively cope with the problem, I believe it is unreasonable to insist on solving all the details of this problem before anything is done to work on the principal feed grain—corn.

It seems to me that the important and almost exclusive consideration at this time is to devise a simple workable program for corn that can be enacted immediately so that corn farmers can help solve the surplus problem now.

Such a program should only attempt to deal with the problem in 1957. The farmers of Indiana will be more than willing to help work out a longer time solution which not only seeks to solve the corn problem but also the related problem of surplus feed of all kinds.

Senator HUMPHREY. Do you have a prepared statement?

Mr. STOCKDALE. No.

Senator HUMPHREY. Go right ahead.

STATEMENT OF ELMER G. STOCKDALE, IOWA FALLS, IOWA

Mr. STOCKDALE. Mr. Chairman, we are very happy for the opportunity to present our plan to you today.

I am Elmer Stockdale, a farmer from Iowa Falls, Iowa, and I, along with a few of my neighbors, have been working this winter on a corn plan.

And my neighbors, I think, I should introduce to you at this time: Lawrence Hamilton from Hampton, Iowa, and James Jorgensen, Sr., and James Jorgensen, Jr.

Senator HUMPHREY. These are the gentlemen that were earlier mentioned by Senator Hickenlooper, I believe; is that right?

Mr. STOCKDALE. Yes, that is right.

Senator HUMPHREY. Thank you.

Mr. STOCKDALE. We all worked together in the formation of this plan which we have composed.

We might mention at this time that we are entirely independent. We have asked for cooperation and support from other organizations but we are free of any affiliations.

In other words, we have approached this from the angle of doing our best as farmers to find a solution which the farmer himself would take hold of and would like.

Now, I might go on to say a little bit further, we, too, will have to be planting before long and it is our hope that if our plan does have merit and if it meets with your approval, that somebody in Washington would take hold of it from this time on because where we have spent a little time, effort, and money in the past few months, we cannot continue to do that much longer.

In laying a little groundwork for the plan, I might say that we farmers went to school before the referendum meeting last fall and it was our consensus of opinion at that time that regardless of which way we voted we still would have a surplus of farm feeds and farm livestock products.

Consequently, we thought that we should search for some other way to handle the farm surplus situation.

Our first big meeting in conjunction with Earl Kelsey, our extension man, and Wallace Ogg, agricultural economist from Ames, Iowa, was held in Hampton, to which were invited a good number of outstanding farmers from 10 counties surrounding.

And these fellows worked with us for 1 full day in Hampton. We had fellows representing all of the various farm organizations, and we to the best of our ability at that time formulated a plan that was agreeable to all.

We also found some principles which we thought we should follow in the preparation of this plan at that time.

That is the first big meeting we had.

We had other meetings.

We attended farm institutes.

We talked with different people there.

Senator Aiken was one of the men kind enough to give us time there. And his support is appreciated by us.

The last meeting the night before we came into Washington was at the Geneva, Iowa, High School assembly of farmers who were attending another educational meeting. This meeting was to educate the farmers on just exactly what the present program will do if it is continued as planned at the present time.

Senator HUMPHREY. Who sponsored those meetings?

Mr. STOCKDALE. That meeting was sponsored in conjunction with the county ASC head committeeman, and he, of course, presented the present plan first.

I just bring up to you this simple illustration. We are looking at this through the farmer's eyes.

At that meeting that night, when we voted on which way we wanted to go, the chairman of the county committee was the only man that voted for our present plan. There were three votes for the next plan on the referendum which did not pass last fall. And there were 30 votes for our plan.

I am bringing that fact up simply to show to you that the farmers in the field feel that something else is necessary and that what we have developed represents the thinking of those farmers.

The conclusions of these meetings that we held brought out several facts.

The first fact is that we must, of course, balance production to demand. And we have not been able to do that in the past.

Second, we can no longer consider corn singly, because corn is simply one of many feed grains. There are too many substitutes.

And third, we must include the entire feed crop area in our plan, in other words, if we are going to be realistic and consider feed grain crops as a whole in relation to livestock feeding, we must include the diverted areas from the cotton and the wheat areas.

And it is our feeling that the people in the South and the West will be glad to do that because if they have a problem with feed grains it is exactly the same problem that we have.

And we want to cooperate with them to the best of our ability.

Why isn't the corn soil bank working for the livestock and the feed grain farmer?

First of all, as I mentioned before, we are producing too much. We have a lot of technical know-how. We are producing too many total feed grain units. And we must reduce this.

In fact, as you all know, I realize we are having a baby boom, to sort of to speak of. The population is increasing rapidly but our technical know-how is increasing about twice as fast as our population.

So I do not believe we can look for relief in that respect.

We grant that the soil bank aims are basically sound. It will lower production, and it will conserve the soil. We favor those two aims.

It also organizes the farmer and as individual farmers we are helpless. We feel that in some way somehow we have to have an organization to represent us collectively. And we feel that our only hope is through the Government.

The corn problem has a good many aspects. We realize that our knowledge is limited. But the way it looks to us is this: With all of the substitutes that there are for corn, soybeans, oats, barley, sorghum, alfalfa, and so forth, we must consider all feed grain crops on all of those acres in the United States.

I might mention at this time that we four fellows working on this bill every year since the start of the farm programs have cooperated. And I myself was up there the first day that we were eligible to sign up for this year. I didn't do that primarily because I favored the plan wholeheartedly, but I thought we had to grab at the straw that would help us the most.

And, of course, we will do everything we can to cooperate with whatever program is put in force but we do feel that we should make an effort for the future to be realistic about cutting supply in relation to demand.

As far as these substitutes are concerned, I happen to be the only one of this group that feeds lambs and raises sheep. The other boys are cow feeders.

But it is interesting to note that the championship lambs fed at the Waterloo Lamb Show this year never ate one kernel of corn. They were started and finished on sorghum grain.

And that is a picture that in our area is very strong.

I might go further. Whereas I cooperated with the programs and the others have, I haven't put corn in my silo for quite a few years. I put in grain sorghum.

I might as well admit cutting my corn acreage as low as I have this year. I am going to go pretty heavy into grain sorghum feed.

I feel that I have to do it.

Senator HUMPHREY. Why do you say you feel you have to do it? I would like to have you develop that.

Mr. STOCKDALE. That is a very important point. The reason we feel that is this: It is a struggle on the farm. I know from this morning's testimony you appreciate what we are up against in the price-cost squeeze.

If we put out so many livestock units in the past years, and we feel that this next year prices will be lower, if anything, what shall we do?

It is the normal tendency for every farmer to use his pencil and figure, "I have got to feed just a few more head of hogs and cattle this next year. If I can't raise this grain on the cornfield, how can I raise it and how can I finish that livestock for the market?"

And we are forced to go into the best substitute that we can find.

Senator HUMPHREY. That is sorghums?

Mr. STOCKDALE. Yes. Sorghum for our area north is a little bit risky. It is dangerous; we might get an early frost and be unhappy from the economic standpoint. It is about the only thing we can do under the circumstances and we are going that way heavily.

Senator HUMPHREY. It is not too difficult a crop to grow?

Mr. STOCKDALE. No.

Senator HUMPHREY. It only requires the planting. And there is little or no care.

Mr. STOCKDALE. That is right.

Senator HUMPHREY. So that even though you run the risk, you say, of a frost, and of some plant disease, being up that far north, the losses even in a crop failure are not as great as they might be in some others.

Mr. STOCKDALE. That is true.

Then the other point about the ease with which you can put them in, we can handle sorghum with the same machinery and the same labor that we can handle corn. So that makes it an easy substitute as far as that is concerned.

As far, of course, as increase is concerned the tonnage can exceed that of corn. In my case I have never filled a silo from as few acres as I have with sorghum. I have benefited in that respect.

Senator HUMPHREY. Your feed value is about the same.

Mr. STOCKDALE. At least 95 percent for cattle. And it is fully 100 percent for sheep. Right now I am feeding my sheep grain sorghum silage for roughage. I am feeding them corn to finish them out. So it works in as a feed.

What I am getting at is that to be truthful about it, cutting down the corn isn't doing any good so far as the amount of livestock that I am marketing.

We feel that the amount of feed grains that we raise and the livestock that we produce are definitely tied together, and going into the livestock picture, as we must, roughly speaking, more feed means more livestock.

And cheaper, of course, means more livestock.

And I was just talking with a neighbor of mine the other day—in fact, the first part of this week—he was helping me with some work. He is a young fellow on a 160 acre farm, a good operator. And he mentioned to me that he was really putting in a lot of time in chores.

He bought three more milk cows last year. And he farrowed more pigs last year. "And it will work me harder but the way it looks I will have to buy some more dairy cows for next year."

In other words, in order to stay in business he will have to expand more. That is not what we want.

Independently, a man is forced to do that unless he does not want to stay in business. This specific man has ability along mechanical lines. If the farm picture does not mend, he will go back to town as a mechanic.

He worked for 10 years to get his start on the farm. And I will admit he is discouraged, and you can't blame him.

And yet, on the other hand, he will stay as long as he is able to.

We noticed in 1955 there was more meat produced per capita in the United States than in any year since 1908. And with the participation we will have under our present farm program, we fear very much that we will eclipse that amount in 1947. I hope not, but it looks that way to us.

And we realize that if we could get 1 percent less meat we would get far more than 2 percent more in price. So that is the way we want to go, instead of more meat. But cheap feed means cheap livestock.

And we want, of course, to correct that if we possibly can. We feel that our program will correct that because we are realistic as we go further on in the amount of production both in grain and livestock that we will cut.

For participation in the soil bank it is now tied to corn allotments. And as a result we get poor compliance because we must cut down the corn acres. They are our most profitable acres and we must use substitutes and it is not economical for a farmer to cut down on the most profitable crop, especially if he is a grain farmer.

If a manufacturer were producing about 5 items and 1 showed a loss and 2 not very much profit and 2 good, what would he cut out? We all know what he would cut out.

We maintain that a farmer should work from the same end of the picture. In other words, if he is going to take land out of production, it would be far better for him to take out more acres at the poor end of the picture instead of the profitable end of the picture. And our program follows that line of thought.

Our plan, in a nutshell, would endorse the present soil bank with only one major change. It would change from a corn base and allotments to a large national feed-grain acreage in the soil bank. We would be realistic in this reduction and our reduction would require over 35 million average feed-crop acres to be put in the soil bank.

Of course, that is far more than we put in the soil bank now, even if we had 100-percent participation. And, of course, we realize working at the weak end of the picture we do have to have a lot of acres.

We want to retain the soil bank. We want to keep the feed-grain acres for free, from corn allotments. We want to condition commodity loans on soil-bank participation, to receive substantial increase in the acreage bank, and include all of the feed-grain area.

We want to operate within the present framework of the soil-bank legislation, and continue the programs on other basic crops.

We feel that for legislation to be effective and to become effective in any short period of time we would have to leave the other basics completely alone. This program does that.

In our feed-crop-approach solution we bank any rotation feed-crop acres and any rotation feed crop itself. We are free from corn allotments. We cut total feed units and we forget.

Senator HUMPHREY. You lump all feed units.

Mr. STOCKDALE. That is right.

Senator HUMPHREY. You lump corn sorghums and all feed grains into a national feed-grain base; is that right?

Mr. STOCKDALE. Right. That is it exactly.

Senator HUMPHREY. It does not make any difference whether you are producing corn or milo or what?

Mr. STOCKDALE. Even alfalfa is included—rotation feeding—that is right. And we include all areas that are producing that.

In other words, we go north, east, south, and west. We increase our acreage tremendously and, as nearly as we can determine, that acreage would amount to over 230 million acres that we are working with.

As I mentioned before, the amount that we think would have to be soil banked to achieve our result would be over 35 million acres.

The first reaction we ever get to this program when we talk to farmers about it—and we have noticed that economists do not bother about it at all, but the average farmer does; it takes a little education—is that, “Well, people will raise all corn.”

That is the first thing the average farmer thinks about. But there are a number of reasons why that would not be true, and I am sure you will follow me on this.

First of all, the fellows that want to raise all corn are already doing that. So that does not affect our change in production.

Also, before we even had allotments of any sort, we didn’t have an awful lot more corn in acreage than we have now.

In other words, the farmer has to balance the labor and the machinery at his disposal. And he would have a glut of machinery work and labor work if he went to an all-corn program.

And he simply could not spread his operation over the entire year. Also, he could keep no livestock program whatsoever. So it simply does not work.

We will admit that he would have some more corn, and that we think is desirable, because in my area I would start putting corn back in my silo. And we would feed more corn instead of the substitutes.

I might mention another thing. I fed an awful lot of oats to my sheep this year. If I had been free to raise more corn I would have fed more corn.

It just figures in the picture how we can raise more corn, and it would not matter a bit as long as we fed more corn and still cut down the total feed production.

The pendulum to corn would naturally swing back whenever the other crops became more profitable. And as you can see from this program, the soybean areas would benefit tremendously the first year because, in our area at least, whatever acres the farmer has left he puts in it.

From this program he would get away from that. As a result, soybeans, I will have to admit, would be pretty high priced the first year. We will admit we might be long in corn the first year. But the pendulum would swing right back into the soybean production next year and the crops would find a balance.

The farmers we have talked with definitely agree with that point. I hope we can agree on that. We are convinced that it is true.

We must have adequate soil-bank payments. They must be realistic and fair, and they must be based on the production capacity of each farm.

Through our areas the ASC committees have already rated each farm.

But to be fair one step further, each farm should be divided if there is an outstanding difference in the fertility of that 1 unit, because we do not care if the man takes his 40 acres out, as long as he gets on that proportion.

But if we spend a tax dollar for him to take production out, we want to be sure that that much production really does come out.

We do not care whether the dollar is spent on a unit that will produce 30 bushels of some grain or on 2 units that will only produce 15 bushels. We want the same net result at the end.

We think that would be quite easy to be enforced.

As far as the national cropland retirement necessary, we are working on the basis that it will only take from 5 to 6 percent cut in feed-crop production to balance that feed-crop production with the market demands.

I think we have an excessive ever-normal granary at the present time.

We are setting our goal at 8 percent in actual cut to help alleviate that proposition. We want to keep the ever-normal granary but, of course, we do not want to have too much of a surplus in it.

If we can cut the bushels in that down, that would give more money that would be qualified to come into our program to pay for acres out of production.

Figuring out what percent of acres would have to come out of production to get an actual 8 percent cut we arrived at the 15 percent figure which has been used in other plans.

But this 15 percent figure comes out of 235 million total feed-crop acres.

Senator HUMPHREY. You lift that percentage up because, as you say, you are taking marginal or semimarginal land.

Mr. STOCKDALE. Right. We will get more production out of the other 85 percent of the land that he still has left.

Following that line of thought further, if a man has 100 feed-crop acres and he puts 15 of his average into the soil bank, he will have 85 acres to do whatever he cared to do with.

He is going to get more than 85 percent of his old production back with those 85 acres. We might always well grant that.

Another thing, when he takes 15 acres out, I said they would be average. If his rating on his farm is divided and he takes out his poorest acreage, in order to get 15 percent of his production, he might have to take out 20 or 25 acres to qualify for 15 percent production. That would depend upon the production rating on his individual farm.

We go further in this national crop retirement by saying that any acreage can be taken out by any man. And he can go up to the total

maximum of 100 percent if he so desires, just so long as there is appropriated money left to do the job.

I might give you an illustration of that. My father is 75 years old. He lives on 75 acres of ground. He went through the last depression and he had to start all over.

He worked as a laborer in town for a number of years, and it has been a rough road back. He is on 80 acres not paid for. And he cannot go to town and retire.

But with a plan like this he could rent his land to the Government and stay in the buildings and be very independently well satisfied for the rest of his life.

Take my case with a little more ground. I have two boys going to school. I have part-time work. I still have to have a part-time hired man.

I would be glad under my circumstances, especially with another boy going to college next year, to rent from 30 to 40 percent of my cropland to the Government, and be able to handle it with my family labor and let that part-time hired man go to some other job that would be full time.

I am bringing out those two illustrations to bring out this one fact, that is, every other program that you ever hear about somebody says, "What are they doing for the small farmer?"

In this program the small farmer is perfectly well qualified not to participate if it will not help him under these circumstances.

But with us taking a national acreage of over 35 million out of production and allowing these other fellows who want to, to go up to 100 percent on their ground, these fellows on the small farms will benefit with a good market value for their grain or livestock and there will be no criticism whatsoever to them if they do not want to participate.

They are already limited in acreage. More power to them if they can use them to advantage in feeding livestock. These results we think would benefit all, the large and the small.

You go to the Commodity Credit loan. We said anybody could participate in any amount. But if he would not put up to the national average taken out on any one given year, or 15 percent, then he would not be eligible for Commodity Credit loans.

There are some people that would not care about that. You might have a small-sized field, if they want to put it in. Fine, but they would have to take out the national average to be eligible.

Senator HUMPHREY. The 15 percent of the tillable ground?

Mr. STOCKDALE. That is right.

Senator HUMPHREY. Or planted acres?

Mr. STOCKDALE. That is right. We have set that for the first year arbitrarily in order to get the 8-percent cut. If that isn't enough or too much, we feel that the administration should change that national figure each year, depending upon the crop carryover, from year to year.

In other words, we would never know from year to year just what conditions might be and how that might have to be changed.

We hope it would not have to be raised, but if it would, they would have the power to do it. We want to support all of the feed grains on a comparative feed and market value price.

There should be a definite relationship between all feed grains of the feed value and their market value.

Senator HUMPHREY. Absolutely.

Mr. STOCKDALE. And it does not matter which ones you compare with. We do not care. That does not matter. But there is a relationship between them which should be brought out.

As far as the Commodity Credit loans are concerned, we are perfectly willing to let the administration put them wherever they think advisable. We think they should be used as a credit device and as a production guide.

And if any program is at all successful, they definitely should not constitute a sale.

In other words, if a program is not successful, they might constitute a sale. But we think that this program, taking so many acres out of production, would mean that we would not have to be worried at all about selling grains to the Commodity Credit Corporation.

We get to the next question which is funds. This question gave us a little trouble because we were taking in new areas, and there had been appropriations for the different areas and we didn't know exactly how we were going to divide the different appropriations that were being made in those areas for those acres.

You see, we are taking diverted feed-grain areas from the cotton and the wheat areas and including them in with us, if they wish to come.

And, of course, that puts it up to 285 million acres.

Senator HUMPHREY. Where did you get that 235 million acreage from?

Mr. STOCKDALE. We went through our Government bulletins, and we had to do a little pencil work. I will be truthful with you, we spent a lot of work on it, and we ended up with about 3 or 4 different economists helping us do that.

Senator HUMPHREY. That is what I wanted to get. You did enlist the help of the agricultural economists. Was that at Ames?

Mr. STOCKDALE. Ames, primarily, yes. I said we were farmers. When it came to that question we were helpless.

Senator HUMPHREY. You have done very well, I might say.

Mr. STOCKDALE. And going a step further——

Senator HUMPHREY. I wish I could be so helpless.

Mr. STOCKDALE. Going a step further on that acreage then, we also had to cut down the amounts of money that would be entitled to apply to those acres.

And, of course, they helped us in that respect, too. We came out with the figure of \$850 million which we felt generally was being appropriated now under the present program for that area.

Senator AIKEN. How much?

Mr. STOCKDALE. \$850 million.

Senator AIKEN. I guess I told you in Iowa, out of \$4,865 million for agriculture for the next fiscal year, over \$2,300 million of it is to be used in an attempt to control and dispose of surpluses. That represents approximately two-thirds of it.

And of the one-third that is left, you still have your school milk program, school lunch program, rural telephone loans, REA program, and other regular operations.

So we are spending two-thirds of all of our agricultural appropriation now in an effort to deal with overproduction.

Mr. STOCKDALE. Yes. Of course, compared to that kind of money this does not seem too much, but it would take a definite amount for this program.

We feel that this amount divided by the acreage would give an average of \$25 per acre for the average acre in the United States.

Senator AIKEN. The reason I pointed out the figures I did was that \$825 million that you arrived at is approximately 25 percent of the amount we are now spending in an effort to deal with overproduction.

Mr. STOCKDALE. That is right.

Senator AIKEN. Only 25 percent.

Mr. STOCKDALE. In other words, if we are able to balance that supply and demand picture this would be considerably cheaper. Of course, that is the whole line of our reasoning.

Senator AIKEN. If you can do it with \$825 million, that would be a very good investment.

Senator HUMPHREY. It does not apply to wheat.

Mr. STOCKDALE. Wheat is still independent.

Senator HUMPHREY. The basics are separate and independent from this. This is for feed grains as such, exclusive of wheat.

Mr. STOCKDALE. That is right.

There is another element that we cannot gage, either, and that is in fact, if we are successful in balancing production to demand, and the farmer does get back in the financial picture, the amount of money that the Federal Government receives from him in the Federal income taxes itself would be a tremendous amount.

How much that would be, we have no way of knowing. It is an item in the overall national picture to be considered. But we could put no actual amount on that.

There is one thing I should mention about this average of \$25 per acre on the national picture. Some people with really highly fertile ground would say, "I cannot put any land out for \$25."

If it was above the average they would get more. If it is below the average they would get less.

When you talk to the farmers and discuss it afterward in these groups, and they realize they have freedom of operation on the balance of their acres, and that they can take these acres out of the crop that is not returning them too much, anyway, then they figure out, "Why, I would rather put 2 acres in for this kind of money than I would 1 acre out of my best crop."

Consequently, they like the idea of working from the low-fertility acre or the crop that in their specific situation might not be quite as valuable to them as others.

We also say that we want to accept all other basic programs as agreeable to ours. We are not hurt with their programs.

And we think that our program in their diverted acres would help them. We would like to cooperate with them.

We also want to mention that we heartily endorse all of the efforts of the Agriculture Department to increase agricultural consumption along foreign, domestic, and industrial lines.

And we do appreciate the fact that there has been improvement in that respect.

In summary, I want to bring out the fact again that in reality we are requiring just one big basic change. That is, going from the corn base in the allotments to the large national feed grain acreage in the soil bank for a realistic cut.

In other words, a big cut to try to balance production with demand.

Senator HUMPHREY. To make it perfectly clear, that large national feed grain base that you are talking about includes corn.

Mr. STOCKDALE. Right.

Senator HUMPHREY. That is corn and all other alternate feeds.

Mr. STOCKDALE. We are including corn in with other feeds. We are doing away with corn singly and corn allotments.

This gives the farmer freedom to operate on his other acres. It promotes efficiency in his operations.

And these facts, of course, promote a voluntary participation on his part in the program.

This puts more acres in the soil bank, cuts the total feed units. And it is our sincere thought that it will balance production with demands.

If it does that the farmer will receive his fair share of the national income. That is what we are working toward.

We think that our city cousins would be glad to let us have it. We are glad to let them have their fair share. That is the total of our program.

We appreciate your letting us present it to you. If you have any questions or any corrections we will be glad to hear them.

Senator HUMPHREY. Senator Aiken.

Senator AIKEN. I talked this matter over briefly with Mr. Stockdale and his neighbors a couple of weeks ago.

Senator HUMPHREY. He mentioned that earlier.

Senator AIKEN. And he indicated that he would like to present it to more members of the committee. He seems to have put a lot of thought into this. And I thought it would be worth presenting to the committee.

Senator HUMPHREY. I think so.

I am sorry that we got started just a moment before you came in, but I think Mr. Stockdale reviewed all of the points which you were alluding to this morning.

Senator HICKENLOOPER. This plan, I know, from various sources, has attracted considerable interest in groups that have heard it and had it presented to them.

I am very happy that these gentlemen who, incidentally, are coming down here at their own personal expense—

Mr. STOCKDALE. That is right.

Senator HICKENLOOPER. They feel they might have an idea here that would be helpful.

I am very happy to have them here. I am sure that there will be very serious consideration given to this plan.

As I started to say a moment ago, groups that have heard this—I have heard from various sources—have been quite impressed with its possibilities.

I do feel that there might be some difficulty, if they decided to try this plan, to launch it this year. The planning season is on right now.

I don't know whether we would have sufficient time. We would have to have expert advice on this.

Thank you, Mr. Chairman.

Mr. STOCKDALE. Thank you.

I might add to that as to how soon this could be put into effect.

You know and we do not. It is our sincere hope that you will give it consideration. And whenever it could be of use, if it can be of use, we will naturally appreciate your consideration of it.

Senator HICKENLOOPER. I appreciate that much of the data that is needed probably is already at hand. You have got a pretty good picture over the United States as the result of the last several years' operations as to historic crop production on most of the farms. I am sure we have in the Corn Belt. And probably that is true in other places, as well.

There may be substantial areas in the United States where those statistics, because farmers have not been participating necessarily in a program of any kind, may not be as sound or complete or detailed as might be desired.

I merely raise the question there might be some difficulties. And that some little time might be required to get the machinery in operation for a program of this kind since it is a somewhat different approach in the overall phase.

Senator HUMPHREY. Mr. Stockdale, did I understand you to make some comments about the programs before you at the time of the referendum?

I mean, these two programs, the allotment program and the acreage base program.

Mr. STOCKDALE. Right.

Senator HUMPHREY. Did either of these programs seem to be very acceptable?

Mr. STOCKDALE. No, in our area they didn't. I might have gone into that a little bit more, but I realize that you have a lot on your program.

Lawrence Hamilton and James Jorgensen did go to schools on that in our areas. They became worried about it at that time. And I do not want to criticize or anything, but it just seemed to be a situation that existed in our part of the State.

And I have heard other farmers from areas away from our section mention the same fact.

The reason a lot of them did not vote was the fact that they figured neither program would give us what we needed. And the people either did not take the energy to go ahead and investigate and decide which was the better program or they felt neither one would cut production enough.

So they did not even vote at all. That is what happened in most of the cases. They did not go to vote because they either felt they did not know which was truthfully the better of the two programs and/or they felt that neither would accomplish the cut in production they needed.

In other words, the choice was not there as far as a good program is concerned. I do not say that in a critical way. That is truthfully the way the farmers in the country feel.

Senator HICKENLOOPER. I have to leave for a few minutes, Mr. Chairman.

Senator HUMPHREY. Are you familiar with the bill that was passed by the Committee on Agriculture in the House?

Mr. STOCKDALE. In general terms.

Senator HUMPHREY. I was looking over the report here on the corn and feed-grain program. Before you leave here, you might want to get a copy of the report on this bill.

Mr. STOCKDALE. Right.

Senator HUMPHREY. And in view of the fact that you and your neighbors have done so much study on it, I want to commend you for this presentation. I think it is very excellent.

And we are very much indebted to you for a fine, clear and concise explanation.

I would like to get your point of view as a farmer, a corn producer and feeder, and a feed-grain producer and feeder, on the merits or demerits of the proposed House bill.

I am going to be very frank with you, I haven't come to any final conclusion about it at all. If you do have some time, you and your neighbors, and would give us either a statement relating to it, now or later, I would appreciate it.

Mr. STOCKDALE. Thank you very much. We will be glad to look into it. We have been so wrapped up with this I am afraid we haven't kept up with the other reading the way we should.

Senator HUMPHREY. As I noticed, it sort of bends itself in the direction that you are going. But it isn't quite as comprehensive.

Senator AIKEN. I haven't studied that, either. Does not that add substantially to the acreage of other crops of the feed grain crops and then gives—

Senator HUMPHREY. It lets them set as the base their best year of the last three, in feed grains, and then makes a certain amount of that subject to soil-bank requirements.

Senator AIKEN. The time to make those determinations alone, probably, would make it unworkable for this year.

Right now we are confronted with the fact that other crops are taken care of, at least, to a degree—whether as much as they would like or not—but corn is not taken care of to much of any degree.

Senator HUMPHREY. Your central principle is that feed grains must be considered as a totality or as a unit?

Mr. STOCKDALE. Yes.

Senator HUMPHREY. One composite picture?

Mr. STOCKDALE. That is right.

Senator HUMPHREY. Until you do that you are not going to be able to bring into balance this feed supply with the consumption, is that correct?

Mr. STOCKDALE. That is our thought, right; definitely.

Senator AIKEN. I think the fact is that when corn acreage was put into the acreage reserve last year, it resulted in the heavy production of oats instead of corn.

Senator HUMPHREY. That is right.

Mr. STOCKDALE. There is one thing I might mention in that respect.

Senator AIKEN. Although it was the corn acreage that theoretically went into the program.

Mr. STOCKDALE. So far as corn is concerned, if the present program is in force for the year, and even though they get pretty good participation on it, the farmer who puts in that limited acreage—and I will be one of them—will feed the substitutes and still seal the corn.

I don't think you will correct the situation even with the lower acreage. That is our line of thought.

Senator HUMPHREY. Does this go on pretty generally among your farm people, this thinking?

Mr. STOCKDALE. Yes. Our extension department people throughout the State told me that. Our line of thinking throughout the State of Iowa—I suppose throughout the Nation—is that if we don't get an actual reduction in feed grains in general, we cannot possibly get that reduction in livestock.

And the farmer is always going to be in trouble unless we do those three things.

Senator HUMPHREY. Senator Aiken, I am going to ask that this whole report of the gentleman be printed as part of the testimony, because it was done up so well.

Senator AIKEN. Very well.

(The booklet is as follows:)

A PLAN TO RAISE FARM INCOME

INTRODUCTION

While most Americans are enjoying unprecedented prosperity, feed and livestock farmers are having hard times. They can produce abundantly, but their problem is price.

Four Iowa farmers turned their attention to this problem. What are the underlying causes of low prices? Is there a sound solution?

These farmers sought ideas from members of the Farm Bureau, the Farmers' Union, the National Farmers' Organization, and the Grange. They conferred with representatives of the United States Department of Agriculture. They obtained data from the Iowa State Extension Service. Their aim was a long-range, nonpartisan, nonorganizational plan which would provide agriculture with a fair share of the national income.

The plan which they propose would apply to all farmers in the United States producing feed crops—not merely to Corn Belt farmers. Thus, the southerner or westerner raising feed crops on land taken out of cotton or wheat could participate. The plan would benefit feed and livestock producers everywhere in the country.

The plan does not disturb programs on other basic commodities—cotton, wheat, rice, peanuts, and tobacco. Its authors believe that if the plan were applied to those crops, it would improve market prices; but they defer judgment to the producers of those commodities.

The four authors are Lawrence Hamilton, James Jorgensen, and James Jorgensen, Jr., of Hampton, Iowa, and Elmer Stockdale, of Iowa Falls, Iowa.

Following are their ideas. Part I states the problem. Part II contains their solution.

THE PLAN IN A NUTSHELL

1. Retain the soil bank and commodity loans.
2. Allow any feed cropland to be banked without compliance with corn-acreage allotments.
3. Condition commodity loans on feed crops upon participation in the bank.
4. Achieve substantial increase in acreage banked.
5. Operate within the present framework of soil-bank legislation.
6. Continue programs on other basic crops.

PART I. THE PROBLEM

Point 1. Fundamental difficulty—too many feed units

Farmers are producing more livestock feed crops than buyers will purchase at prices which provide a fair return.

Explanation: Incomes of livestock and feed-crop farmers are lower than incomes in other occupations involving similar capital, labor, and risks. This is because farmers, with scientific methods, are able to produce more than consumers will buy at reasonable prices. It is necessary somehow to bring production closer in line with consumption.

More consumption should be encouraged. But it is necessary also to deal with the other side of the problem—production.

Point 2. Soil bank principle sound

The soil bank principle is sound because it aims at bringing the amount that farmers produce in line with what consumers will buy at reasonable prices, while building up land that most needs conservation.

Explanation: The individual farmer is helpless to reduce overall production. But this can be accomplished collectively through a Government program. This is the purpose of the soil bank—reducing production by retiring land.

Point 3. Corn problem

Corn is but one of a number of feed crops, and reduction of corn production alone does not reduce total feed units or improve feed-crop prices.

Explanation: All crops grown primarily for livestock feed, such as corn, oats, barley, rye, grain sorghums, soybeans, alfalfa, cowpeas, etc., may be called "feed crops." They are in competition with each other. When production of one is curtailed, production of the others tends to increase. There is but one general market for them, the livestock feed market.

Wheat may be dealt with singly in a production-control program. There is only one such principal product. When the production of wheat is reduced, the supply in the wheat market goes down and the price goes up. But when corn production is reduced, the supply in the livestock feed market does not go down proportionately. Farmers fill the demand by producing substitutes which involve less efficient use of land but meet the need. Thus feederop prices do not go up. Even corn prices do not rise, for cheap substitutes can be bought.

The corn problem is complicated by programs on other commodities such as cotton and wheat. Farmers reducing production of those commodities often turn to feed crops.

In the three year period from 1953 through 1955 there was an increase of 12 percent in the total supply of livestock feed, despite corn acreage allotments in connection with loans on that commodity.

Point 4. Livestock problem

Increased supplies of livestock feed have resulted in increased production of livestock and lower livestock prices.

Explanation: There is a close relationship between feed and livestock prices. When farmers can profitably feed their crops to livestock they do so, and livestock production increases. When it is more profitable to sell crops as such, less feeding is done and livestock production decreases. Livestock prices are very sensitive to supply. A decrease of 1 percent in supply causes an increase of about 2 percent in price.

Recently Corn Belt farmers, with low crop prices, have produced more livestock. The non-Corn Belt farmers, growing feed on land taken out of production of allotted crops, has also produced livestock. The result in 1955 was the highest production of livestock per capita since 1908—more livestock than consumers would buy at prices which would return a profit to producers.

Point 5. Infirmities in soil bank—feed units not reduced

The present soil bank will not improve livestock and feed crop prices because it deals with corn singly rather than with feed crops collectively.

Explanation: Participation in the corn soil bank is founded on treating corn alone rather than feed crops together. There must be compliance with corn acreage allotments. But while the participating farmer reduces corn, he produces substitutes and overall feed production continues to increase. As a result, market prices for corn and other feeds go down, and livestock prices follow.

Point 6. Infirmities in soil bank—nonparticipation

Sufficient participation in the corn soil bank to reduce production cannot be obtained because compliance with allotments is required.

Explanation: Compliance with allotments means that a farmer cannot use his land not banked in the most efficient way. Since he must not only retire land, but also surrender freedom of operation on his remaining acres and reduce production of his most profitable crop, he often chooses to stay out of the bank.

PART II. THE SOLUTION

Point 7. Feed crop approach

It should be permissible to bank tilled land in the United States which is in normal rotation of feed crops without complying with corn acreage allotments.

Explanation: Tilled land in the United States in normal rotation of feed crops may be called cropland. A soil bank requiring compliance with corn acreage allotments does not reduce feed units because substitutes are produced. But if a portion of all cropland were retired, total feed units would diminish and feed crop prices would rise. Prices for livestock and livestock products would follow. Even the producer who buys all his livestock feed would thus be benefited; in addition, he would face less competition from farmers who could profitably sell their crops as such.

An increase in the supply of any particular feed such as corn would not be important, for there would be a reduction in the total feed units available to meet demand. Actually feed crops would come into proper balance as to each other, for an increase in one would result in a decrease in others and higher prices for them.

Freedom of choice of crops as to land not banked would at once increase participation in the bank and operating efficiency on the farm, for a producer would not be obligated to cut back the crops he raises most efficiently and finds most profitable. (Manufacturers faced with the problem which confronts agriculture would not cut back the items which produce the most return.) In practice one farmer might find corn best adapted to his locality and operation, while grain sorghum or alfalfa for another might be better.

Point 8. Adequate soil bank payments

Soil bank payments for cropland should be realistic in amount, based on the productive capacity of the particular land banked.

Explanation: Individual farmers considering participation weigh rental payments against the gross income from the land to be banked less the cost of farming it. Payments must be high enough to encourage participation.

Since payments would be based on the productive capacity of the acres retired, a feed-crop soil bank dollar would buy the same crop reduction on high as on low fertility land. Since operating costs are practically constant, farmers would normally tend to retire their less fertile land; and they would endeavor to put fields in the bank which in their particular operation produce the least valuable crop to them under their system of rotation. For these reasons rental payments would not need to be as high as when part of the land banked must actually come out of corn because of allotments.

Rental payments should not be so high as to incur resentment among other segments of the economy.

Participation ought not be sought by compulsion. This would eventually lead to an agriculture entirely controlled by governmental officials and insensitive to change.

Point 9. National cropland retirement

Sufficient cropland should be retired nationally to secure fair market prices for feed crops, and approximately 15 percent should be retired now.

Explanation: A reduction of approximately 8 percent in feed supplies is necessary at this time in order to get prices to a proper level. But farmers would endeavor to retire their least fertile land, to produce their most valuable crops, and to increase operating efficiency. Hence 15 percent of the Nation's cropland should be retired now. Subsequent increases and decreases needed would be determined by experience from year to year.

Actually a reduction of approximately 6 percent in feed supplies would balance supply and demand. But an initial reduction of 8 percent is needed to reduce inventories and get the ever normal granary at a proper level.

Point 10. Farm cropland retirement

There should be no minimum or maximum acreage retirements per farm for participation, subject to the prior right of each farm to its proportionate share of the cropland to be retired nationally.

Explanation: There would be no limitation on the amount of cropland which could be retired per farm. But if 15 percent of the Nation's cropland was to be retired, there would be a right as to each farm to retire up to that proportion before the excess was divided.

Present provisions for the protection of tenants and share croppers would be retained.

Point 11. Commodity loans

Feed crops now the subject of commodity loans would continue to be such, but such loans would be conditioned upon participation in the feed-crop soil bank to at least the proportionate share of the national retirement, rather than allotments.

Feed grains should be supported on a comparative feed and market value with corn.

Explanation: Commodity loans would provide an ever normal granary and credit at harvesttimes. As market prices improved, farmers would rely less on loans. The Government loan would become more a credit device as intended, and less a sale which sets prices.

If 15 percent of the Nation's cropland was to be retired, crops from a farm would not be subject to loan unless at least 15 percent of the farm's productivity was in the soil bank. This requirement would encourage participation in the bank.

Point 12. Conservation payments

Conservation payments should be restricted to actual conservation practices, and should be conditioned upon participation in the soil bank to at least the proportionate share of the national retirement.

Explanation: It is inconsistent simultaneously to promote more and less production by Government funds. Conservation payments should be limited to practices for the protection of the soil, such as erosion control.

Farmers needing conservation practices will also benefit by participation in the soil bank. If 15 percent of the Nation's cropland is to be retired, that percentage of the cropland on a farm should be banked for eligibility.

Point 13. Funds

Appropriations substantially equal to the present ones would be sufficient or nearly so to retire 15 percent of the Nation's 235 million acres that are in feed grain crops.

Explanation: Cropland to be retired nationally is approximately 35,250,000 acres. Some of the present appropriations for conservation payments should be made available for the soil bank, as they are being used to increase production. Adding these to present soil bank appropriations gives approximately \$850 million, or about \$25 per cropland acre. This is substantially the national average of rental payment necessary to secure participation.

Point 14. Other programs

Programs on other basic crops should remain as they are, and the feed-crop soil bank should operate within the framework of present legislation.

Explanation: The details for the operation of a soil bank are covered by present legislation. The feed-crop soil bank would not disturb programs on other commodities.

To sum it up, the plan would—

1. Permit more freedom of operation;
2. Improve operating efficiency;
3. Increase soil bank participation;
4. Soil bank more land for less cost per acre;
5. Reduce overall production;
6. Raise agricultural income.

Senator HUMPHREY. Are there any of your neighbors that want to contribute anything to this discussion at this point?

Mr. STOCKDALE. When we meet with the farmers they talk a lot.

Senator HUMPHREY. I know. I want them to feel just as much like visiting friends here as there.

STATEMENT OF OLLIE JANSSEN, ACKLEY, IOWA

Mr. JANSSEN. My name is Ollie Janssen.

Senator HUMPHREY. That is a good Danish name.

Mr. JANSSEN. I am still a German.

Senator HUMPHREY. We have 40 percent Germans in our State.

Senator AIKEN. You are a Janssen and not a Jensen?

Mr. JANSSEN. Yes. This last referendum that you mentioned, I think if they would have gone to the guaranteed support price, this base acreage would have went over, don't you think?

Mr. STOCKDALE. I do not know about that. We are following a whole new angle.

Mr. JANSSEN. They are talking about this last fall's vote.

Senator HUMPHREY. What do you mean by "guaranteed"?

Mr. JANSSEN. 61 percent voted for this base acreage. I think if they had a guaranteed support price in there, that probably would have went over. But you see they threw the supports out. I myself, I didn't trust them fellows.

Senator HUMPHREY. Were there any of your neighbors that felt the same way?

Mr. JANSSEN. I think so.

Mr. STOCKDALE. When I came in the room this morning we saw Ollie sitting back there and that is the first time I saw him since a meeting in our little elevator in Bradford, Iowa, a week or so ago.

STATEMENT OF LAWRENCE HAMILTON, HAMPTON, IOWA

Mr. HAMILTON. I am Lawrence Hamilton.

I am not sure that this was brought out clearly enough. You can get in these acres more reduction in the soil bank for less money with this program.

In other words, for example, if you are going to plant 10 acres, produced 10 bushels per acre—and over here 1 acre that maybe produce 100 bushels—you can make some profit from the 1 acre, but on the 10 acres you could not make any profit farming.

In either case if you put the 1 acre in the soil bank, or put the 10 acres you would get 100 bushel reduction and get the reduction for less money out of the 10 acres than you could out of the 1 acre.

And we felt maybe this program was something which has easier to get than this.

However, we felt with differences of opinion in Congress possibly this might be a compromise and might be quicker to get to than the other measures.

Senator HUMPHREY. I want to say that Members of Congress are indebted to people like yourself who do your own thinking and go on out and develop these programs.

I am sure that I can speak for every member of this committee. It is always encouraging and helpful to have people right from the field, right from out in the country, come in and present, as you have today, a program that you thought out and worked out and sought expert advice and guidance on.

I am very grateful to you.

Mr. STOCKDALE. It has been encouraging to us for the reception that we received, too. We will take that sort of back home. Thank you.

Senator HUMPHREY. Thank you.

Mr. Baker.

Mr. Baker, we are glad to have you here.

Mr. BAKER. Mr. Chairman, I am glad to be here. Thank you, Mr. Chairman.

Senator HUMPHREY. You have an analysis made here, too, that you will want printed in the record.

Mr. BAKER. I ask that it be put in the record at the close of my oral statement, Mr. Chairman.

Senator HUMPHREY. Yes, sir; that will be done. Go right ahead.

STATEMENT OF JOHN A. BAKER, COORDINATOR OF LEGISLATIVE SERVICES, NATIONAL FARMERS UNION

Mr. BAKER. I am John A. Baker, coordinator of legislative services, National Farmers Union.

I would like to commend the gentleman who preceded me on the witness stand very highly, Mr. Stockdale; and if I had known he was going to make that statement he made, there would have been very little that I would have wanted to add to it. It was an excellent statement.

We appreciate your inviting us to present to you our views on proposed improvements in the Federal legislation relating to corn, feed grains, and livestock, although our views were very excellently stated by the preceding witness.

The basic principles adopted by our last convention, with participation of delegates from the corn, feed-grain, and livestock-producing areas, still stand as a beacon in the dark night of farm policy.

The principles which we adopted are still the ones that hold the best long-term hope for pulling farmers out of the depression into which they have been pushed over the past 4 years and for restoring farmers to a place at the first table.

If these principles were now in effect, there would be no 1957 corn problem and no need for your committee to be considering emergency legislation.

As members of this committee know, our Farmers Union principles can be thought of in four general sections—income improvement, increased consumption, credit, and protection from economic consequences of natural disaster, such as drought.

You have already permitted me to insert our legislative analysis program briefly outlining the entire statement.

Rather than taking up your time for any further discussion, Mr. Chairman, with a long-range statement, I will now go specifically into our recommendations for 1957.

The National Farmers Union believes that corn, other feed grains, and livestock should be dealt with together. This is not easy to do, and it will require the constructive thinking of all of us, but it is the correct approach and the only constructive approach.

The farmers of the great Corn Belt find themselves in a most difficult spot. They wisely chose in December to reject the proposal that corn be stricken from the list of basic commodities and be put at the

discretion of the Secretary of Agriculture, whoever he might be, from time to time, to be supported at whatever level he might choose.

The Farmers Union is proud of having helped achieve that victory, but I think most of us know that farmers were choosing between the lesser of two evils.

The evil which now faces them as the result of a referendum in which they put their hope in Congress for improvement is a drastic cut in their acreage allotments for 1957 corn crop, together with a disastrously low price-support level.

One of the biggest jobs ahead for all of us is to bring order out of chaos. Even before the referendum, we endorsed the proposal of Senator Humphrey, as good a friend as American farmers ever had, to increase the allotment for corn to at least 49 million acres this year with supports on family-farm production at not less than 90 percent of parity.

We know that this alone will not solve the underlying problem, because it retains a system in which inequities have become built in in the form of low historical bases for calculating individual allotments. But we face an emergency, and we must take emergency action.

There are other steps which must be taken, and, to decide on the best of these, Mr. Patton recently called together the Farmers Union leaders from the Corn Belt States to see what they felt should be done.

Looking forward to congressional hearings, we have carefully prepared the results of their thinking and wish to recommend it to you now as the minimum action we are convinced should be taken to meet the emergency confronting us.

First, we must have amendments to make the soil bank effective. We appeared before congressional committees earlier this year in support of several such amendments, including several directly related to the corn problem.

We urge that payments per acre in the acreage reserve of the soil bank should be raised to encourage widespread participation. We also urged that corn in the noncommercial area and the other feed grains be made eligible to participate in the acreage reserve on an adequate basis.

These steps would help substantially. In addition, we urged a substantial raise in the existing \$10 per acre conservation-reserve payment and inclusion of eligibility in the soil band for pastureland.

Senator HUMPHREY. Are you familiar with Senator Watkins' bill on that?

Mr. BAKER. Senator Watkins' bill, as I understand it, relates to publicly owned land which is permitted to individuals on a fee basis. His bill relates entirely to publicly owned grazing lands.

I checked with some of our people in those areas, and with the exception, I believe, of the people in New Mexico, they said they thought Senator Watkins was on the right track for a particular part of it. Others that I checked with, and this was not the New Mexico view, point out that it was not wise public policy to do anything more—for Congress to make it appear that it is giving permanent tenure rights in grazing permits.

This would be a move in the same direction, and, therefore, that same objective of this bill could probably from a general national interest standpoint be better accomplished by some other means.

We do not have as an organization a position on the Watkins bill.

Senator AIKEN. When you refer to pastureland, do you also include the unfenced range farmlands?

Mr. BAKER. You almost invariably do unless you say farm and ranch. I always try to say pasture and grazing which covers both fenced and unfenced.

Senator AIKEN. It has been intimated there would be some difficulty in enforcing prohibition against grazing on unfenced lands. That is one reason that we haven't supported it.

Mr. BAKER. That difficulty pertains to all of the present land that goes into acreage reserve and conservation reserve, the same as it would the pastureland that might be put in those reserves.

Senator AIKEN. There are pasturelands which I am sure ought to be included in this conservation reserve for reforestation purposes, very definitely. Otherwise, you will have millions of acres where reforestation will be delayed unless it gets into some other program.

Mr. BAKER. We also support the bill that is pending before the full committee—Lyndon Johnson's bill—for grazing payments in the drought area.

Senator HUMPHREY. This \$10 fee, that isn't established by statute, is it? That is by regulation.

Senator AIKEN. Yes, by regulation. And the payments on the conservation reserve are probably a little low in comparison with the payments on the acreage reserve.

Mr. BAKER. The result is that the very poorest—

Senator AIKEN. They have to be adjusted before the conservation reserve will work as intended, because at the present time I just have a feeling there are a lot of acres going into the acreage reserve that ought to go into the conservation reserve for longer periods of time.

So long as they can get much more by putting them in the acreage reserve for 1 year, naturally they are going to go the limit and put as much as possible into acreage reserve.

Mr. BAKER. As all of you gentlemen, Senator Thye and others know, our recommendation was not for one of these. We recommended one comprehensive reserve for all commodities similar to the one the gentleman was just talking about for feed grain.

We called it a conservation acreage reserve. We did not intend to have one apart from the other and have a whole different set of rules.

Our thought was that it would all be a conservation acreage reserve, land taken out—had to go into conservation, and payments would be for the average land like the man was talking about—the thing that you are talking about.

Under the law being enforced, and all of the folk lore and astrology and legislative history that has gone with subtitles "A" and "B," the only hope, let us say, like potatoes—the only way out now with the folk lore of subtitle "B"—the submarginal land program—then you are forced to buy something like Congressman McIntire from Maine wants to add potatoes to the acreage reserve—and we support him in that proposal.

Senator AIKEN. Instead of being a short-time proposition like the acreage reserve, it should be a longer term program with a greater incentive to get into the conservation reserve, because after all the conservation reserve has the wholehearted support of the public.

The other can only hold the public support until it will become unpopular. We had that experience with potatoes.

The conservation reserve does have support of people who do not own a foot of land themselves.

Senator HUMPHREY. Exactly. I believe you were going to ask Mr. Baker a question.

Senator THYE. The only question that came to my mind at the time was that if a man puts some of his most nonproductive of these acres into the program under the conservation phase, the local township supervisor, who after all checks that acre, is pretty familiar with it. If he does note that it is some of the most depleted or nonproductive of his farm unit, they do not and will not have to pay the maximum that is allowed for the best of the productive lands.

Mr. BAKER. My comment—

Senator THYE. There could be some abuses. That I will admit, too. But in the main, they do have that authorization that they could appraise the land on the basis that it was not the most productive of the land in that township or of the land on that particular farm.

Mr. BAKER. The problem is not so much one, Senator Thye, of various kinds of land on individual farms, as it is that whole block of the United States are participating very widely in the conservation acreage reserve. And in your State, a man cannot afford to put any of his land in the conservation reserve.

Senator THYE. Not the kind of a corn crop that he harvested last fall. But on the average I have known a time that \$45 was a tremendous income in comparison to what that is today.

That is what I have reference to.

Mr. BAKER. You are talking about the acreage reserve. Senator Aiken and I were discussing the conservation reserve. That is \$9 an acre payment.

Senator THYE. I mean from the standpoint of your two programs, your conservation and your acreage reserve, that if the township supervisor, in checking the acres that have been diverted of the percentage of the corn acreage allotment, that if he has said, here is 15 acres off the west half of my 40, and if that 15 acres happens to be the poorest of the man's land, that township supervisor can so note it, and it does not necessarily have to be compensated for at the highest amount allowed in that township.

Mr. BAKER. That is true. You are talking about the acreage reserve.

Senator THYE. The acreage reserve.

Mr. BAKER. We were talking about the conservation reserve.

Senator THYE. The thought I wanted to express was the other. While it may not bring the most productive land in under contract, yet it need not have the highest payment.

Senator YOUNG. You said under conservation reserve the payment was \$9 in Minnesota.

Mr. BAKER. I think that is about what it is.

Senator YOUNG. I think more than that. It is higher than that. It is \$9 in North Dakota and in South Dakota, but higher in Minnesota.

Senator THYE. I would not try to speak from memory just what the average is.

Mr. BAKER. It is \$10 an acre for the national average. It would vary from one part of Minnesota to the other.

Senator HUMPHREY. Your point here was that they ought to raise this average of \$10 for your conservation reserve payment and include the eligibility in the soil bank of pastureland, also.

Mr. BAKER. That is correct.

I would agree that the \$10 acre reserve should be raised. As of now it is just getting swampland and wornout land that is growing up in weeds.

Senator THYE. The conversation was going at the time I came in. I remained on the floor until I was able to be recognized so that I could speak to the bill that I had introduced on Saturday to which I was not able to speak on last Saturday. So I came in when the conversation was in progress.

My only thought in adding to the remarks were that if any of the land that was contracted was of the poorer land, then the township supervisor could report and make recommendations on a lesser amount than if it were the better land that was involved in the contract.

Senator HUMPHREY. Go ahead, Mr. Baker.

Mr. BAKER. Second, we continue to urge enactment of legislation to increase corn acreage allotments in the commercial area to at least 49 million acres.

Third, any increase provided in corn allotments should be apportioned along two lines. Those who have cooperated in the past with acreage allotments should receive special consideration, as should those who have suffered inequities such as having extremely low histories of acreage planted in corn.

The latter recommendation alone should help small farmers whose allotments have been reduced to the point where they simply cannot cooperate with the program and get price support.

Department regulations should give sufficient latitude to county committees in distribution of increased allotments to handle these problems.

I might say that the basic law is perfectly all right on that point.

Fourth, the price support for corn both inside and outside the so-called commercial area should be raised immediately to a national average of \$1.60 a bushel, and the other feed grains should be supported on a comparable basis of their feed value equivalent to corn with noncommercial area corn and other feed grains provided with acreage allotments similar to revised commercial corn allotments.

Fifth, a system of premium payments for marketing livestock at lighter and more desirable weights should be instituted to increase the income of livestock producers, to stabilize the marketing of livestock and to properly tie feed grains together with livestock at a higher level.

Sixth, milk producers should be authorized to vote in a referendum whether they wish to adopt marketing quotas with more adequate supports than existing minimums.

In addition, we urge adoption of legislation along the lines of the Albert, Johnson, and Dixon bills to include pasture and grazing land in the conservation and acreage reserves.

These are emergency programs, but we are in an emergency. As a result of shortsighted farm policy, there is a prospect for a flood of corn and other feed grains this year at a disastrously low price.

The economic impact of this will be disastrous to corn producers and will spread in turn like a virus throughout the other feed grains and will reach into the livestock industry, pulling millions of farmers even further down.

To head off a national calamity and to restore some income to farmers, these steps are the absolute minimum at this time; but meanwhile we must also keep our attention on the long run goals for a healthy and prosperous agriculture.

We must continue to search for a permanent farm program which will meet the particular condition of each commodity without splitting it off from the total farm economy or set its producers at the throats of other producers.

Above all, we must establish the principle that farmers must have a parity of income. This will require looking beyond the temporary arguments about specific price levels of this commodity or that commodity and will require us to establish in farm policy the principle that no segment of the economy should be allowed to drag behind the others.

Returning specifically to the problems of corn produced in so-called commercial areas, may I say that we have made as careful a study as we are capable of the economic research reports on the subject by the economists of the United States Department of Agriculture and the State experiment stations.

These research results make at least two points crystal clear:

(1) Corn prices and income in the commercial area cannot adequately be considered separately from the production, prices, and income of corn for the noncommercial area and of the other feed grains—oats, sorghum, grain, rye, and barley; and

(2) Feed-grain prices, production, and income cannot adequately be considered separately from the prices and income of hogs, cattle, milk, and poultry products.

Any lasting and satisfactory solution of the corn problem must also adequately deal with the other feed grains and livestock and its products. Our recommendations for a broadly based 1957 program reflect our convictions on this point.

One-shot panaceas or partial programs for corn in the commercial corn area will not be economically effective. They would build up more low farm income and commodity surplus problems than they will solve. The unfortunate 1956 corn program proves that.

All corn, other feed grains, oilseeds and cattle, hogs, poultry, and milk must be considered together as a unit if lasting adequate solutions are to be expected to the income problems of any of them.

The economic interrelationships of these several commodities are such that the economic problems of corn producers in the commercial corn area cannot be solved adequately for corn producers nor fairly from the standpoint of other producers in isolation.

Nor do we ask that you give the corn, feed grain, and livestock producers a better break than we are prepared to provide to all other farmers. Rather, we urge you to follow what we know to be your own convictions. Provide a fair and adequate program for the livestock-feed grain producers and even up all commodities. Don't even them all down to the same dead level of inadequacy.

We shall support and extend to you our cooperation in such an endeavor.

We are prepared to support your efforts to provide in feasible and workable ways for the different commodities the same farm income improvement legislative provisions that we have today specifically recommended for corn, other feed grains, milk, cattle, hogs, and poultry products, including the 10 recommended improvements in the conservation and acreage reserves we have recommended to Congress on earlier occasions.

We again urge in what legislation you adopt that an upper limit be placed upon the extent of the eligibility of an individual farm family to participate in the income improvement programs. We have previously testified that the upper limit of such eligibility should reflect the volume of sales of an economically fully adequate family farm or the equivalent of approximately 15,000 to 18,000 bushels of corn or 10,000 bushels of wheat in whatever commodities the family sells.

We appreciate your consideration of our views.

Senator HUMPHREY. Mr. Baker, we are very grateful for your views. You represent a great organization, and the group resolutions and observations of that organization are always welcome to the Committee on Agriculture and Forestry.

You have undoubtedly had an opportunity to look over the proposals before the subcommittee. There are 7 or 8 of them, 1 or 2 having been introduced very recently that are not on the staff comparison sheet that is before the members of the committee.

Senator Thye had a bill cosponsored by Senator Capehart as did Senator Case of South Dakota and there may be one or two others. Most of these bills have as an acreage basis 51 million acres. The bill that I introduced, S. 1362, establishes 51 million acres allotment for 1957, rather than the 49 million to which you alluded. The other main difference in the bills is that some of them have price-supports level varying between 70 percent on up. The bill by Senator Hickenlooper and Senator Martin and others, gives the farmers the same choice as they had in the recent referendum.

Now, having analyzed these bills—and I am sure you have—would you care to give us your judgment, maybe point by point, and then your overall judgment, relating to the bills? I don't believe any other bills have exactly what you have proposed.

Mr. BAKER. That is correct. None of them do.

Senator HUMPHREY. I mean the 49 million allotment, 90 percent of parity, or the \$1.60 minimum payment which you referred to? My bill has \$1.50 support loan levels.

Mr. BAKER. Well, first, Mr. Chairman, let me say that I honestly can't believe that one of these bills is seriously intended. It sounds like it came out of the comic strip, probably a Rube Goldberg device of some kind that somebody thought up to be funny. And I can't believe it is seriously intended.

Senator HUMPHREY. Why do you say that, Mr. Baker? It has been placed before us.

Mr. BAKER. It is a nice catch phrase, to talk about farmers voting with the corn planters. But you know as well as I do that the corn producers in Minnesota, for example, did not vote between what they were going to plant, and what they weren't going to plant on those two alternatives in the referendum. The farmers voted against the Benson plan—when they voted against the Benson plan in that referendum, they were voting their confidence in your, Mr. Chairman, to see

that the 37 million acres were amended—not that they thought you personally could get that done alone, but that they knew you would be trying and thought when you were trying your best it would go a long ways toward getting that done. They were voting their confidence in this Congress to get something done about this in a tolerable length of time this spring rather than taking their chance, as the gentleman ahead of me said, on they knew not what in the referendum. To come around after that background with what appeared to be a serious suggestion that these two alternatives be made individually and severally available to these producers, cannot be seriously considered, if you follow my reasoning. It was not a case of a farmer saying that on an individual basis he wanted to do this or he wanted to do that. He was stating in his vote what he thought would be best for the farm program, and for farmers generally in the long-range future, including what he hoped, and had some confidence based on past actions that Congress would do about it. If he voted for the Benson alternative in the referendum, he was foreclosing the chance of Congress doing anything about it, and in effect discouraging Congress from doing anything about it.

Senator HUMPHREY. I see your point. I believe it was Mr. Janssen, who testified just before you did, along with Mr. Stockdale and Mr. Hamilton, to the effect that in the area in which he voted, that some of the votes against the Benson plan were just an expression of lack of confidence in, as he put it, the higher ups.

Mr. Janssen, are you still with us?

I just wanted to clarify the record here. I asked if you may recall about the vote in your area back in December on this referendum, and I believe you said that some of the reasons—that one of the reasons that you and your neighbors may have voted against the Government plan or the Benson plan, was because of lack of confidence; is that right?

Mr. JANSSEN. Right.

Senator HUMPHREY. And you meant by that that you just didn't feel that——

Mr. JANSSEN. We didn't have no guaranty of the price support in that particular——

Senator HUMPHREY. Even though there had been an announcement of \$1.31?

Mr. JANSSEN. Yes; that was set, but it was set by the Secretary of Agriculture, it wasn't guaranteed that in the future it would be——

Senator HUMPHREY. I see.

Mr. JANSSEN. In the future, you see, everything would be set by the Secretary of Agriculture, and he might set it to 90 cents a bushel next year.

Senator HUMPHREY. And you didn't have enough confidence in him?

Mr. JANSSEN. No; I didn't.

Senator HUMPHREY. How did your neighbors feel about that?

Mr. JANSSEN. Not very good, some of them. He was in Des Moines, you know, and a lot of them didn't want to go and see him.

Senator HUMPHREY. I think this is very important. These are all factors that have to be taken into consideration.

How would your neighbors have felt if they had gotten \$1.50 a bushel guaranteed by law?

Mr. JANSSEN. Then that thing would have carried easy.

Senator HUMPHREY. Even if they had to take out 15 percent of their acres?

Mr. JANSSEN. On a 51 million base.

Senator HUMPHREY. On a 51 million base, do you think they would have voted for it?

Mr. JANSSEN. No question.

Senator HUMPHREY. I would like to ask some of these other gentlemen, just as an expression of their point of view.

Mr. Stockdale, how do you think farmers would have reacted in your neighborhood if they had been guaranteed by law a fixed price of \$1.50 on basic acreage or allotted acreage, provided they had to take 15 percent out, just like the soil bank provides, and with a 51 million acre base, national base, how would they have reacted? I don't say this is a cure-all, don't misunderstand me. I happen to be sympathetic with the overall feed approach that you are talking about. But I wonder what they might have done, as far as you understand?

Mr. STOCKDALE. The reaction would have been more favorable, there is no doubt about that.

Senator HUMPHREY. Mr. Hamilton?

Mr. HAMILTON. I will go along with that. I think that some got word that the Secretary could set it anywhere between zero and 90 percent of parity, and they didn't know what he might do, if there had been a set figure it would have carried in my area without doubt.

Senator HUMPHREY. I see. Thank you very much.

I want to thank you again, gentlemen. It is good to have men here like yourselves who have just come in from the farm areas to talk with us and to visit with us. I wish we had several hundred of you so we could just get the points one after the other. It would be very helpful.

Mr. Baker?

Mr. BAKER. The gentlemen have expressed the point much better than I could. The Dirksen bill has an open bottom support level, so I haven't attempted any calculation because I don't know what support level Mr. Dirksen had in mind.

Senator HUMPHREY. Is that S. 829?

Mr. BAKER. That is S. 829. The Case bill I haven't had a chance to analyze, Mr. Chairman.

The administration, as I understand, 1 of their 3 different recommendations to you this morning, the 1 that provides for 74 percent of parity, that the Secretary would pledge himself to carry out in 1957, as I understood Mr. McLain—he testified in favor of almost everything except your bill this morning. He said they would take anything.

(The unread portion of Mr. Baker's statement is as follows:)

FULL PARITY FAMILY FARM INCOME IMPROVEMENT PROGRAM

This memorandum lists and briefly describes the legislative phases of the family farm income improvement program recommended by National Farmers Union.

SUMMARY

I. Income protection for farm families

A. Expansion of existing Federal farm price support and related legislation to provide mandatory 100 percent of parity income protection for family farm production of all commodities by means of workable combinations of parity

income supplement payments and price support loans, purchase agreements and purchases.

B. Revitalize and expand Federal crop insurance program.

C. Continued improvement of social security, old-age, and survivors insurance program for farmers.

D. Supplemental programs for low-income farm families in depressed rural areas.

II. Maintain national security reserve of food, fiber, and oils

III. Expand human use and demand for farm commodities

A. Expand domestic consumption:

1. Expanding full employment economy.

2. National food allotment stamp plan.

3. Expand school lunch program to all schools.

4. Federal-financing of two half-pints of milk per school child per day.

5. Credit program to encourage improvement of terminal markets for perishable farm commodities.

6. Better terminal market inspection of perishables.

7. Provide more nearly adequate nutrition standards for public institutions.

8. Increase emphasis on expanding industrial uses of farm commodities.

9. Elimination of poverty and depressed industrial and rural areas.

B. Expand exports:

1. Establish international commodity agreements for all farm commodities that enter importantly into international trade, and improvement and renewal of International Wheat and Sugar Agreements.

2. International food and raw materials reserve (world food bank).

3. Expand Agricultural Trade Development and Assistance Act.

4. Expand point 4 program of assisting free world economic growth and development.

5. Continue and use Reciprocal Trade Agreements Act and further customs simplification.

6. Trade adjustment aids to United States industries, communities, workers, and farmers injured by tariff and import quota reductions.

IV. Keep market supply in balance with augmented demand

A. Establish workable national all-commodity farm marketing goal and voluntary conservation acreage reserve.

B. Enact marketing premium payments program.

C. Revise and extend marketing agreements and orders and provide other legislation to protect farmers in bargaining with buyers of farm commodities.

D. Revise and extend commodity marketing quotas and market share program to all producers.

E. Acreage allotments.

V. Revitalize and expand Farmers' Home Administration into an effective "yard-stick" family farm loan agency

INCOME PROTECTION FOR FARM PEOPLE

Almost all family farms today are commercial farms. They must buy an increasingly large part of the services, machinery, and supplies used for farm operation and for modern family living. They sell a very large part of what they produce, averaging over 89 percent. The terms they are able to trade on make a big difference in the standard of living the family can earn.

The prices of things that farmers buy, both production and family living items, are retail prices like the prices all consumers pay.

These retail prices, and the wholesale prices behind them, are administered prices—prices set by manufacturers, money-market bankers, railroad companies, and others, on the basis of their ability to withhold supply of goods and services to maintain the set price.

Experience has shown that these prices paid by farmers and consumers rise fast enough in periods of inflation. However, experience has also shown that the prices paid by farmers for things and services they must buy from non-farmers do not drop very much even in periods of economic stagnation.

This is because manufacturers and the others protected by tariffs, corporation laws, Government commissions, and many other private and public actions provided through or permitted by State and Federal Governments, can hold down production and maintain price partly because of the relatively small number of

firms, or persons, in each industry. They can do so profitably because overhead fixed costs are a small proportion of total costs. Thus they can make large cuts in costs by reducing production or withholding services.

On the farmers' side of the market bargaining process, there are about 3½ million full-time farmers selling farm commodities and buying family living items in competition with more than 45 million other consumer units.

No one farm family controls a significantly large enough share of the total market to raise prices received by withholding supplies from the market. Nor have they so far been able successfully to band together voluntarily to do so. Moreover, unlike the industrialist, farmer's fixed costs are a very high proportion of total costs. He cannot reduce costs much by curtailing production.

Operating alone the only out for the individual farmer is to produce more as long as he can to raise gross income by increasing volume of sales. In fact, farmers in 1956 continue to compete against each other to get additional land to increase output. As a consequence farmland values continue to rise in the face of the drastic drop in farm income.

The increased supply resulting from 3 million farmers each doing this causes a very large drop in prices and income received by farmers. The nature of demand for food and clothing is such that a small percentage increase in supply or decrease in demand will cause a 5-to-10 times greater percentage drop in prices received by farmers.

Coupled with these chronically adverse terms of trade for farmers, which are associated with industrial structure sanctioned by Government, is the tendency for improving farm technology to cause farm production to increase faster than population and improving diets even if special governmental consumption-expanding measures are put into effect.

The net result of farmers' adverse terms of trade is chronic farm economic depression when farm income is not specifically protected from the forces of the so-called free market. The indication of recent history is that even in a relatively full employment economy farm family incomes will drop continuously about 5 percent per year in the absence of fully adequate specific governmental farm income protection programs.

This drop will continue until such time as farm families exhaust a substantial portion of their assets and net worth, until they are living in utter poverty and have worn out this capital equipment and exhausted their soil and water resources. History indicates the bottom of the free market sliding scale is a parity ratio somewhere between 50 and 60 percent of price parity, or about 35 percent of income parity.

Experience has shown the only solid protection available to even up farmer bargaining power and the only way that farmers can obtain fair terms of trade is to make use of programs of the Federal Government.

To increase demand and markets through direct action programs;

To establish farm-income-protection programs to protect farm income against adverse terms of trade; and

To enable farmers to keep the market volume of farm products in reasonable balance with augmented demand.

INCOME PROTECTION FOR FARM FAMILIES

National Farmers Union continues to urge the enactment of laws needed to transform existing farm price-support legislation into a comprehensive law requiring the Government to use workable combinations of parity income supplement payments and price-supporting loans, purchase agreements, and purchases to maintain 100 percent of parity income per unit of commodity of the family farm production of all farm-produced commodities. And this market income protection program must be augmented by an expanded and revitalized crop-insurance program and a continually improved social security old-age and survivors insurance program for farmers.

Parity for any farm commodity should be figured as the return per unit of the commodity that would give farm families who produce it an opportunity to earn the equivalent income and purchasing power that can be earned by people in other occupations in an expanding full employment economy.

Family farm volume protected.—Any individual farm operating family would be eligible for payments and price support protection on their actual sales up to the maximum volume of output of a fully adequate and efficient family farm. Sales above that volume by any one production unit would not be eligible.

Methods of support.—Price supporting Government purchases of commodities would be used only where required to relieve temporary seasonable market gluts

and where either the commodity can be economically stored from year to year or where noncommercial outlets are in sight for the commodities purchased. Price supporting purchase agreements and nonrecourse price-support loans would be used to maintain orderly marketing and market stability for storable commodities.

Government purchases without reference to need for price support would also be used where needed to develop and maintain the Nation's safety-reserve, strategic stockpile, or ever-normal storehouse of food and fiber commodities.

But primary reliance for farm income protection or commodities marketed would be placed upon use of parity income supplement payments direct to farmers to make up the margin by which market prices received by producers of that commodity were below the parity level for that commodity.

Adoption of this program would mean an average income per farm family in 1956 of approximately \$5,000 instead of the \$2,300 per family they actually were able to earn and a total national farm net income of \$25 million instead of the \$115 billion.

Under existing law the income of wool producers is protected up to 110 percent of parity price (about 100 percent of income parity). Sugar is supported by means of production payments at approximately 67 percent of income parity; tobacco at about 60 percent of income parity (90 percent of parity price). Mandatory protection for wheat, peanuts, cotton, corn, and rice and milk is at about 58 percent of parity income (75 percent of parity price) by means of price-support loans and purchases. Honey and tung nuts must be supported at least at 60 percent of their parity prices. Price supports for oats, rye, barley, grain sorghums, dry edible beans, soybeans, cottonseed, flaxseed, and other storables is mandatory but no minimum level of support is specified by the law.

Any farm commodity may be supported by means of price-supporting loans and purchases at not more than 90 percent of price parity (except levels may be set higher in event of national emergency).

CROP AND LIVESTOCK INSURANCE

Farm commodity income-protection programs are effective against unfair economic hazards resulting from farmers' weak bargaining power in the market. They do not protect farm income when the farmer has nothing to sell if his crop or livestock is a failure because of drought, flood, insects, or other natural disaster.

To fill the latter need, National Farmers Union continues to urge revitalization and rapid expansion of the Federal crop-insurance program. Its provisions should be expanded to cover farm livestock.

The fundamental idea of this program is that Americans never do sit idly by as their neighbors in another part of the country are subjected to great loss and destruction due to natural causes. Billions of dollars of relief funds in past years have been expended to overcome the suffering due to drought and such after they happened. The idea of crop and livestock insurance is that the people in the Nation, by paying the administrative and experimental costs of such a program, enable farmers through the annual payment of premiums to insure themselves against the income loss due to natural hazards, and thus reduce the future need for special disaster-relief expenditures.

Under existing law, the crop-insurance programs operate in about 900 of the 3,000 rural counties, and some administrative costs are charged in the premiums.

SOCIAL SECURITY OLD-AGE AND SURVIVORS INSURANCE FOR FARMERS

Existing law now extends to farmers the protection of the Federal social-security insurance system against the economic hazards of death, disability, and old age. National Farmers Union will support continued improvement and expansion of this program.

SUPPLEMENTAL FAMILY FARM DEVELOPMENT PROGRAMS

In addition to the general comprehensive farm-income-improvement programs required in the interests of all family farmers, special supplemental programs of credit, technical advisory assistance, and other services are required to meet the problems of family farm development of low-income-farm families in widespread disadvantaged rural areas of chronic underemployment.

These special supplementary measures should include:

(a) Supplemental income deficiency payments to small farmers to bring their per person income up to a parity level with the nonfarm population, the amount of such payments being figured on the first \$7,000 of gross sales and limited to \$500 or 10 percent of sales, whichever is the smaller;

(b) Compliance payments on diverted acres to small producers of crops under marketing quotas of not to exceed \$250 per farm family, calculated by multiplying the announced acreage reserve payment for the year, by the number of units by which the producer's marketing quota for any year is less than the normal yield of his base acreage calculated through 1953;

(c) Establishment of larger minimum marketing quotas, or acreage allotments, below which the family's quota or allotment would not be cut, for wheat, cotton, corn, rice and any commodities to which existing authority to utilize the marketing quota privilege may be extended;

(d) Increased agricultural conservation payments for small farmers, by amending the present schedule of augmented small payments in the law to double the percentage increases provided for small payments.

(e) Inauguration of a comprehensive family farm development credit program for operation in the 500 most poverty stricken farm counties of the Nation.

We have, also, invited the favorable attention of members of Congress to collateral proposals that will assist in the solution of these low-income farm problems. Particularly, the depressed areas development bill and the proposal for Federal aid to area vocational schools.

EXPANDING FULL EMPLOYMENT ECONOMY

The domestic market demand for farm products resulting from increasing farm productivity can be maintained only in an expanding full employment economy. The economic history of the Nation shows that over the 45 years for which statistical data are available farm family incomes fall in any year when the total national economy grows by less than 10 percent above the previous year. Except in years when total national economic growth is 10 percent or more per year, the terms of trade are against farmers for the reasons discussed in a previous section.

Economic growth as rapid as 10 percent a year might in most years bring inflation in the prices of industrial products. Yet a slower growth rate means falling farm income. Consequently National Farmers Union continues to urge adoption of governmental policies for maintenance of a national economic growth rate of at least 6 percent per year, recognizing, however, that such policies alone will not overcome the adverse market position of farmers.

With national economic growth rate of about 6 percent, industrial unemployment would be reduced to a fractional minimum and consumers' purchasing power for farm and other products would be at a maximum consistent with a stabilized price level. This would mean that increasing demand for farm products would lack only about 1 percent per year in keeping up with increasing farm productivity and net farm income would drop only 3 percent per year in the absence of a specific farm income protection program. This is a much more favorable situation than would result from national economic growth of less than 6 percent per year.

National Farmers Union continues to support all policies and programs that encourage economic growth, such as: Interest rate reduction; increased personal income tax exemption; expanded school, hospital, highways, hydroelectric, and irrigation dam construction, and other public works; higher minimum wages; more nearly adequate social security protection for unemployed, disabled, and retired citizens; and protection of rights of organization and collective bargaining of those who work for employers.

EXPANDING DOMESTIC CONSUMPTION AND MARKET DEMAND

Effective advertising and merchandising of farm-produced commodities are of some value in expanding domestic markets for farm products. But they cannot be relied upon to bring about any very large expansion in the total United States demand for all food and fiber.

The Nation's leading economists are agreed that the only way very greatly to increase consumer demand for food and fiber is through increased purchasing power of groups of consumers that do not now have sufficient buying power to buy the food and clothing they need and want. Increased emphasis upon

increasing industrial uses of farm commodities may also help to expand domestic demand.

The largest untapped market for farm products is made up of the unemployed, the dependent widows and children, permanently handicapped and disabled, the aged, and other low-income consumers. These people, with incomes from private and governmental sources of less than \$1,000 per person per year, simply do not have enough purchasing power to maintain all the needs of life and still spend as much for food and clothing as they want and need for adequate standards. These people want to buy more. They will accept commodities provided through direct Government distribution as provided in existing law but they would prefer to be able to buy them at regular stores like anybody else.

To make this possible, and bring about a vast increase in United States consumption of food commodities, National Farmers Union continues to urge:

Adoption of a nationwide food allotment certification stamp plan;

Expansion to all schools of the national school lunch program now serving less than one-third of the schools;

Improvement and expansion of the fluid milk for school children program to provide free at least two half-pints of milk per child per day and pay local school district administrative costs (currently less than one-third of the Nation's schools have been included in this program and local administrative costs are paid by school districts);

Adoption of improved Federal standards and inspection of perishable farm commodities in terminal, as well as shipping, markets with adequate Federal financing (bill has passed House, pending in Senate Agriculture Committee);

Adequate nutrition standards for the Armed Forces and veterans hospitals, penal institutions, hospitals, and other public and private nonprofit agencies by means of commodity donation or food subsidies;

Adoption of a credit program to encourage modernization and improvement of perishable farm commodity terminal markets (bill is before House Rules Committee);

Elimination of poverty and depressed industrial areas.

Adequately financed, the programs listed here would add considerably to consumer demand for farm commodities in the United States. As poverty and depressed areas were gradually eliminated the special low-income consumer subsidy could be reduced in scope.

EXPANDING FOREIGN CONSUMPTION AND MARKET DEMAND FOR UNITED STATES FARM COMMODITIES

An important part of United States produced farm commodities, up to 10 percent of total production, must in normal years find a market outside our national boundaries. This market can and should be expanded.

Additional agricultural attachés and improved advertising and merchandising will help some. But just as in the case of domestic market, the really big increase in market demand for United States produced farm commodities can come only from increased purchasing power in foreign countries, or from United States Government financing or subsidization of exports.

We are convinced that this total could be raised immediately to at least \$4.5 billion annually by the combined and coordinated use by our Nation of the following (and we will be protecting our farmers at the same time, by intelligent methods, rather than restrictive ones, against the ill effects of imports that compete with United States farm products):

Negotiation and establishment of additional international commodity agreements for all raw materials that enter importantly into international trade, similar to the International Wheat Agreement, which will bring into agreement all of the importing nations as well as all of the exporting nations for each commodity;

Negotiation and establishment of an international food and raw materials reserve or clearinghouse (world food bank), to stabilize supplies, relieve famines, and stabilize prices of all food and other raw material commodities that enter importantly in international trade; promote economic development and improved educational standards;

Expand the authorizations of the Agricultural Trade Development and Assistance Act to provide for \$1.3 billion per year of donations and sales for

soft currencies of United States farm commodities and expand the purposes for which donated commodities and loans of soft currency may be used to include establishment and operation of systems of universal free general and vocational education in nations in the free world where such do not now exist;

Continuation and intelligent expansion of the point 4 program of United States aid to economic development of other free nations in a way that will increase the rate of coordinated economic growth of the nations of the free world;

Continuation of the reciprocal trade agreements providing for worldwide tariff reductions and customs simplification;

Inauguration of parity income supplement payments as primary reliance in supporting farmers' returns on those farm commodities, a part of the United States supply of which is imported in addition to wool and sugar or a part of the United States production of which is exported as part of a nationwide program of trade adjustment aids to United States industries, communities, workers and farmers injured by tariff reductions and elimination of import quotas.

In combination with the domestic consumption-expansion programs, these special export programs would mean a considerable expansion for the foreseeable future in the effective (money) demand for farm products.

KEEPING FARM MARKETINGS IN BALANCE WITH AUGMENTED DEMAND

Vastly increased domestic consumer and export demand for United States farm commodities would be insured by adoption of the programs discussed earlier. However, such increases would not in any particular year be evenly spread over different commodities. Nor is it likely that increased or decreased production due to technological development and weather conditions would be spread evenly over all commodities. With output of a farm commodity expanding faster than augmented demand in any particular year or over a period of years, this is a constantly depressing force upon prices received by farmers and farm family incomes.

For these reasons and those discussed earlier, parity income supplement payments and price supporting loans and purchases must be available for use at all times to keep farmers' returns at the parity level. These are very effective for short periods of time; but will soon become worn out, economically and politically, if used too constantly.

To remove the strain of constant heavy use from the parity payment and price-support program, National Farmers Union continues to urge Congress to adopt realistic workable programs that farmers can use to keep the market supply of farm commodities in reasonable balance with export and domestic consumer demand as augmented in the ways discussed earlier in this memorandum.

The production and marketing adjustment programs urged by National Farmers Union are: (1) conservation acreage reserve; (2) marketing premium payments; (3) revised and extended marketing quota authority; (4) acreage allotments; and (5) improved and extended marketing agreements and orders.

Both total national farm production and the production of individual commodities have a constant tendency to exceed effective market money demand. Each 1 percent by which total farm production exceeds demand at 100 percent of parity brings a drop in prices received by farmers of 5 to 10 percent. Each such 1 percent of market supply above market demand reduces farm family income by at least 12 percent below full income parity.

The objective of the farmer-controlled production and marketing adjustment programs is to keep market supply of farm commodities in reasonable balance with augmented market demand as a means of protecting farm income and reducing pressure on the income-protection program.

There is no good reason why farmers should use up their soil, water, and capital resources and suffer deplorably low incomes by producing more than the augmented market will buy. If a 100 percent supply will sell as it will at 100 percent prices and return 100 percent of parity gross and net incomes to farm people, it is not reasonable to produce a 103 percent supply, sell it at 79 percent prices for an 81 percent gross and 64 percent of parity net family income. Yet under existing laws and policies that is almost universally and exactly what farmers are required to do.

National Farmers Union continues to urge marked improvement in the conservation and acreage reserves of the Soil Bank Act and the expansion of the privilege of farmers to use the conservation acreage reserve, marketing premium

payments, marketing goals and commodities in reasonable balance with augmented market demand.

A partial conservation acreage reserve is provided in the 1956 Farm Act as the soil bank but it is far from adequate and is designed to reduce Commodity Credit Corporation stocks and substitute for price supports rather than as an integral part of an adequate farm income improvement and protection program.

Under the conservation acreage reserve the Secretary of Agriculture would determine, by using official statistics, the acreage of farm land including grazing land not needed in total to fill augmented domestic consumer demands at a full employment level of national economy plus expected exports. These acres would be placed into the national conservation acreage reserve voluntarily by farmers in return for adequate rental and conservation payments from the Government.

The program would be entirely voluntary for the individual farmer who would be free to put all, none, or any part of his land in the reserve. The conservation acreage reserve would be used to adjust total production of all farm commodities to expected augmented total market demand.

To establish this program will require at least the following improvements in the Soil Bank Act: (a) Large acreage payments for small farmers; (b) more realistic payments per acre in the acreage reserve; (c) much larger acreage payments for the conservation reserve; and, (d) making grazing land eligible to be put into reserve.

Marketing premium payments.—The volume of livestock products placed on the market can be regulated by varying the weight at which animals are sold. To bring about marketing of livestock at desirable weights, National Farmers Union urges adoption of marketing premium payments.

Marketing quotas.—Even with the demand-expanding programs and the conservation acreage reserve in full operation, fluctuations in weather and export demand and erratic rates of growth of improved farm technology will bring about temporary maladjustments for individual farm commodities.

To protect against the hazards of these developments and to enable dairy, egg, chicken, and livestock processors to utilize the same principle, National Farmers Union continues to urge that the authority for farmers to make use of marketing goals and quotas be extended to the producers of all farm commodities whose producers favor this method over the marketing order approach.

The national marketing goal or quota for any commodity in any year would not be set below volume of sales by farmers equal to expected total United States consumption, as augmented by the programs discussed in the beginning section of the statement, plus expected exports, plus needed additions to the national security reserve. This is now true for the commodities covered; each has a national minimum.

Each individual producer family would be allocated his appropriate share of the national marketing quota.

The individual producer would be, as under existing law, free to produce and sell as little or as much of the commodity as he desired. If he chose to stay within the goal or quota assigned to his family, he would be eligible to receive parity income supplement payments and obtain price support loans and purchase agreements. If he chose to sell more than his assigned quota, he could do so by selling at the market price and paying to the county farmer committee a fee (or penalty) on his over-quota sales.

Adoption of the marketing goal or quota system would be determined as under existing law in a referendum by secret ballot and would be adopted only if two-thirds or more of the producers who voted were in favor.

Under existing law only the producers of sugar, tobacco, wheat, peanuts, cotton, and rice are privileged to make use of marketing quotas.

MARKETING AGREEMENTS AND ORDERS

Marketing agreements and orders have worked well in protecting the income of producers of milk for retail fluid sales and for certain fruits, vegetables, and nuts. Authority to use this or similar devices should be extended to producers of all farm commodities where this approach is more feasible than the marketing goal or quota approach.

ACREAGE ALLOTMENTS

Existing law authorizes the Secretary of Agriculture to establish acreage allotments for any crop the price of which is supported. Compliance with acreage allotments or base acreage is required for eligibility for price supports for corn. This should be continued, expanded to other feed grains, and used until

such time as a workable marketing quota or goal program can be adopted and used for feed grains and livestock.

ADEQUATE NATIONAL SAFETY RESERVES OF FOOD, FIBER, ORGANIC OILS, AND TIMBER

National Farmers Union comprehensive full-parity farm-income-improvement program calls for maximum efforts to expand domestic consumption and export of United States farm commodities. The program also calls for using the laws of economics to help farmers rather than to hurt them. The program also calls for the use of all workable devices to keep supplies marketed in a reasonable balance with expanded domestic and export demands. This means the tailoring of annual production and sales to annual disappearance. To be sure that mistakes in the operation of such policies and programs or unexpected natural disasters do not result in unplanned and harmful scarcities of farm commodities, National Farmers Union continues to urge the establishment, separate from the price-supporting-loan operation, of a national food- and fiber-safety stockpile or safety and security reserve of food, fiber, and organic oils.

ADEQUATE FAMILY FARM CREDIT

The credit needs of family farming are tremendous and growing. Credit should be available at the times needed and its terms and conditions should be adapted to characteristics of farming as a combined business and way of life that includes grassland and timber agriculture as well as conventional crops and livestock.

Much of the credit needs of family farming can be met by loans obtained from private individuals and such private credit institutions as banks and insurance companies. Farmers themselves can meet many of their credit needs cooperatively through the institutions of the Farm Credit system and through organization of Credit Unions and similar institutions. Altogether, it should be expected that these sources would supply the great bulk of the credit needs of family farms.

However, inasmuch as all of these institutions must obtain the bulk of their funds from commercial money markets and conduct their operations along traditionally conservative financial lines, they find themselves unable to perform the entire farm credit job.

Such institutions find it difficult to pioneer in the meeting of newly recognized or newly emerging farm credit problems. They are not set up to use their credit resources to meet the high risk needs of severe disasters and emergencies, economic or natural. They cannot afford to participate in credit operations when a relatively high intensity of technical assistance and loan servicing are required to render loaning activities essentially sound from a strictly financial viewpoint.

Moreover, all of these private individual and corporate and cooperative institutions have a marked tendency in the absence of outside stimulation to become traditional, custom bound, and increasingly restrictive in their credit policies.

There is nothing morally wrong about this nor even economically unsound. It just means that the legitimate interests of family farmers require a separate supplemental and yardstick credit operation.

This can best and most efficiently be supplied to the Nation by the Federal Government. Such an agency should have the legal authority and sufficient funds to meet all of the family farm credit needs not filled on reasonable terms by private cooperative and other corporate lending agencies.

This is a problem not strictly of young farmers, nor of low-income farm families, nor of disaster situations. It is a need that extends across the board. Such an agency would stand ready to meet any legitimate farm credit need not met by existing private agencies on reasonable terms. The agency would both make direct governmental loans and insure loans of private lending agencies.

To meet this need National Farmers Union continues to urge adoption by Congress of legislation to transform Farmers Home Administration into a Federal Family Farm Loan Agency that will serve in a "yardstick" capacity to make available to family farmers all types of needed credit adapted to family farm needs in appropriate amount on reasonable terms where the family is unable to obtain such credit from established private sources.

The need for an expansion of "yardstick family farm credit" of the type now provided to a very limited degree by Farmers Home Administration is particularly severe in areas of high risk farm production, for low income farm families and to help young farmers get established.

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Senator HUMPHREY. I don't know whether you would say that is complimentary or not, but it may be a true statement.

Mr. BAKER. I am taking the word that they originally recommended, and the commitment that goes with it of support at \$1.31, which he said was 74 percent of parity. That would give corn producers in the commercial area \$3,400 million; the Anderson bill—and Mr. Thye said his was identical to that—\$3,500 million; Senator Mundt's, which is the same as Senator Thye's, except that it has 52 million acres instead of 51, would be \$3,600 million gross income equivalent.

The existing law, just from the standpoint of the shortsighted self-interest of 1957 alone, would be better than any of them in terms of gross income. That would be \$3,730 million.

Senator HUMPHREY. You mean, just as it is now, without any emergency action?

Mr. BAKER. Well, as you and Mr. McLain decided what Mr. McLain would do, \$1.26 unlimited production would come to \$3,730 million.

Your bill, Mr. Chairman, in addition to having the very desirable quality of being responsible legislation—and by that I mean having the desirable quality that we carry through, Senator Young, on the time-honored concept, that in return for trying to have a program, that producers also take some self-discipline and responsibility in trying to keep supply in a reasonable balance with demand.

The Humphrey bill, in addition to having that very desirable characteristic, would also return to corn producers in the commercial area more money than any of these others, it would be \$3,834 million.

Senator HUMPHREY. The thing that disturbed me this morning, Mr. Baker, was when the Department indicated that they would pay \$1.26 for noncompliers, which is opening up the gate, so to speak, and only \$1.31 for compliers under their own program. A 5-cent differential for removing 15 percent of your acreage, of your planted acreage, isn't very much of an incentive, it seems to me. It just doesn't add up.

I think if you are going to have a fixed price for noncompliance, then indeed you must have a much better price for the compliers. For people to be willing to participate in a program we need a price that is sufficiently different in degree, or at least large enough, so that they will feel like they want to get in.

Mr. BAKER. Mr. Chairman, this goes a lot deeper also than just the fact that doing that would completely wreck the feed, grain, and livestock markets for the next 3 or 4 years. I don't think there is any question; last year was just a buildup compared to what doing the same thing over again this year is going to do, just completely getting the whole feed, grain, livestock and dairy and poultry field into a snarl that would take 20 years to get it out of.

But beyond that, there is a more fundamental factor involved—this hasn't reached the stage of active consideration yet—but over on the House side there is some serious thought being given to the fact that Secretary Benson came up here with a proposal to spend \$8,500 million gross budget expenditure in 1958 for the Department of Agriculture. That is more than two-thirds of the total net income of farm families.

You can't, or anybody else, stand up before the American people and justify, year in and year out, spending \$8.5 billion—

Senator HUMPHREY. Where do you get that figure?

Mr. BAKER. That is in the budget message, in the budget book as gross expenditures for the United States Department of Agriculture for the fiscal year 1958, \$8.5 billion.

Senator Aiken put in the record a while ago some 4 billion of it, or the item specifically related to this, one-plus billion of it is making up past losses of Commodity Credit Corporation, but another 2 billion is future expenditures under the soil bank, and so on.

I would recall, Senator Humphrey, that less than—and Senator Young knows what I am going to mention—that the last year the farm prices averaged a hundred percent of parity, the total expenditure of the Department of Agriculture was \$850 million, one-tenth as much as proposed for the year ahead.

Now, what I am saying is, these programs, which are open-ended, and provide a suction pump, say, come on, let's just ruin all the markets we can, all it is doing is just ladling out of the Federal Treasury and fixing the political traps, so that the whole farm program will be abolished unless we get this waterfront spree stopped.

Senator YOUNG. I didn't see that figure of \$8 billion which you mentioned, but as I read the budget, they do propose—they do list as expenditures something over \$5 billion, which again is not an accurate picture. They list loans to REA, loans to FHA borrowers, and all the programs such as that, as expenditures, when there is an excellent repayment record.

I think it is very confusing the way the Department itself explains it. I think they ought to separate loans from price support losses and payments under the soil bank, and so on.

Senator HUMPHREY. They should.

What I think Mr. Baker has pointed out is the the gross expenditures, and not the net.

Mr. BAKER. This is the total gross.

Senator HUMPHREY. Some of that is repayable.

Mr. BAKER. Not only repayable, but there are a number of services of the Department of Agriculture that they sell to the public, and they get back some \$2 billion out of that.

So that the net budget expenditures as they are now sending the budget in is about six—I don't have it with me—six——

Senator YOUNG. I never saw that. I wish you would put those figures in the record, because they aren't figures that I read in the budget.

Mr. BAKER. They are on the second page of the United States Department of Agriculture section of this year's big thick budget book, Senator. The figures supplied by the Senate Appropriations Committee staff from United States budget are as follows: Gross budget expenditures: 1956 actual, \$7,375,503,619; 1957 estimate, \$8,865,282,460; 1958 estimate \$8,481,165,522. Net budget expenditures: 1956, \$5.2 billion; 1957, \$5.2 billion; 1958, \$5.3 billion.

Senator YOUNG. Did those include loans for all price supports?

Mr. BAKER. That includes loans; yes, sir.

But the point I am making is, they are coming up here with a balloon figure, that it looks like the Federal Government is contributing two-thirds to the total net income of farm families in the United States.

Senator YOUNG. Those are very confusing figures, and I took Secretary Benson to task when he appeared here for not explaining their budget better.

The average person believes that those are expenditures, that they are losses to the Department of Agriculture, and they aren't.

For example, I cited REA loans, FHA loans. And then you have expenditures for the Forestry Department, where you get a return of more than we spend.

Mr. BAKER. That is right.

Senator YOUNG. And meat inspection, the school lunch program, and these programs, listing them all as agriculture expenditures, when only a part of them are.

Mr. BAKER. That is correct. And this gentleman has somehow, the Secretary of Agriculture has somehow, arranged to have the net unrecoverable expenditure of somewhere up close to \$3 billion recommended for the next fiscal year on what might be called income-stabilization programs, which is more than 10 times greater than it ever was prior to 3 years ago.

Senator YOUNG. I think you have to recognize that you do have a tremendous problem of trying to support farm prices in any peacetime period.

I think the budget is some indication of the immensity of the problem we have. All of us have to give more and more consideration to

it. I don't think any of us have really found the answer to maintaining fair farm prices in a peacetime period. This is all right to say, we are going to have price supported 100 percent of parity, or 90, or something else, and give consideration to the problem that you have of disposing of surpluses, or holding production in line with demand.

Mr. BAKER. I am pointing out this in context, Senator Young, for the very reasons that you have outlined. The Humphrey bill is a responsible approach to this problem, when he provides for that 15-percent quota below the 51 million. It is a responsible approach to it by having the \$1.50, or the \$1.60, which we recommend, as a support level to encourage people to participate in it, instead of starting what appears to be, Senator Young—and I don't want to be unfair about this—what appears to be on the part of some folks an attempt to prevent any legislation getting through the Congress between now and planting time; then this thing that you and Mr. McLain, that you finally dragged out of him, as to what he was planning to do, get to be the 1957 corn and feed grains program.

If it is, you have just set up some more of this, Senator Young, instead of those budget expenditures figures being 8.5, next year it will be 9.6. And pretty soon the trend is going to be in the same direction with farm income falling, Mr. Chairman, and gross expenditures of the Department of Agriculture rising, and pretty soon the total gross expenditure of the Department of Agriculture is going to be higher than the total net family income of farmers in the United States. We can't live with that. That is why we have got to apply to all commodities. Senator Young, in my opinion, the same kind of approach that Senator Humphrey has suggested in his bill for corn.

Senator HUMPHREY. That is what we went through last year, if you remember. There was wheat taking a severe acreage reduction, with lowered price supports. And when we had the corn proposal here, the balk that I faced, the argument, the resistance that I had to it, was that you wrecked programs by underwriting pricewise commodities when there was no controls whatsoever—I mean, the criteria for a guaranteed price or guaranteed-loan price was the willingness on the part of the participant in that program to impose upon himself or to accept some controls.

Mr. BAKER. My point is that the farmers individually, Senator Young, as the previous witness has just brought out, very excellently, and much better than I could, Mr. Chairman, they are not unmindful of this program, they are not unmindful of the need for exercising the self-discipline that it requires to make their program work, without requiring a whole lot of accumulation of stocks in the Commodity Credit Corporation, and without it entailing huge expenditures by the Federal Treasury.

The farmers that we have talked to and hear from are completely and thoroughly ready to exercise by whatever devices can be developed—and Senator Humphrey has got one in his proposed bill—that it takes to keep supply in line with demand at decent prices, not at some rockbottom, bargain-basement prices, but at prices that you hold their heads up and be first-class American citizens.

But they realize that in order to do that you have to apply exactly the same techniques General Motors, United States Steel, and practically everybody else in the economy uses, administered prices and administered production. And farmers in that regard are both for-

tunate or disadvantaged according to whether this principle is used in their behalf or against them.

There is somewhere between a 5-to-1 and a 10-to-1 ratio in the increased gross income to changes in supply relative to demand. A 1-percent cut in supply relative to demand can raise farm income somewhere between 5 and 10 percent, according to Prof. Willard Cochrane's recent research out at your university, Senator Humphrey.

Senator HUMPHREY. Yes, sir.

Mr. BAKER. Or a 1-percent oversupply in relation to demand can cause a 5- to 10-percent drop, in farm gross income.

Now, if this leverage—which is huge leverage when it comes to economics—is used as a pry pole to raise farm income, it can be very effective and very helpful and not cost the Government any money. If, on the other hand, it is used as a club with the leverage from the other end to beat the farmer over the head down to his economic knees, the 10-to-1 works just the same that way as it does in lifting farm income.

Now, these are not new principles to any one of you gentlemen, but I thought that since this question has come up as to the difference between the Humphrey bill and some of these others, it might be well to put in the record the complete explanation.

Senator YOUNG. I never knew of a time—I have served in the Senate some 12 years—where there was more difference of opinion among even the farm group. And I think part of that has been purposely instigated by some farm leaders, and maybe some by the Department of Agriculture. But every farmer has his problems, and I think they are all interrelated. If we are going to solve this farm problem, the corn farmers and the wheat farmers and the cotton farmers and all the other farmers are going to have to work together toward a common solution of it. And I think the situation now is serious enough in this corn problem that, if we don't get legislation through Congress very soon, we could have a very bad situation on our hands that would cause a lot more cheap feed than we have now, and that, of course, will mean cheap livestock sooner or later.

Mr. BAKER. It is perfectly apparent after the hearing this morning, Senator Young, that if legislation is not passed it is going to be tough.

Senator YOUNG. It will mean that there is going to have to be some give-and-take between the conflicting viewpoints, I think, on the pending legislation. I am hopeful that we can get more legislation approved.

Mr. BAKER. I would urge you, Senator Young, because of the part of the country that you are from, just like the folks from Oklahoma and elsewhere—there are a lot of feed grains, Senator Thye brought out a while ago, being produced on diverted wheatland and diverted cottonland. And those feed grains, if you are going to be fair to the corn producers in the commercial corn area, those feed grains outside of the commercial corn producing area ought to bear their part of the adjustment, downward adjustment, that is necessary to bring feed grain-livestock economy back to life.

Senator YOUNG. I think the feed-grain producers are willing to. In my area they are now in the soil-bank program, and there is going to be a far greater participation in conservation reserve than most people anticipated. But I think the primary problem we have right

now is corn. And I would like to see some consideration for the small grains.

Mr. BAKER. Not if it is one that is going to make it open ended, Senator Young. I don't think you or I, either one, would agree that that would be desirable. On the other hand, more of what I would call the responsible features, this part of Senator Humphrey's bill, with which I would guess you would agree, I wouldn't fuss too much, because there is a very serious problem facing the corn producer in the commercial corn area.

And the corn producers in Iowa and those others are in a fix not of their own making. I wouldn't object too much if you improved the situation with respect to that without improving anybody else's if at the same time we were going to, as soon as we get this settled, then we will start looking at some real fundamentals with respect to all farm commodities and all farm producers.

Senator YOUNG. Well, to the extent that you could get corn farmers to cut 15 percent of their base, if they were given a bigger base than they should have, to the extent you get that in the soil bank, you will be helping all the grain producers, even though we couldn't get a specific provision on small grains.

Mr. BAKER. Well, it works in theory, Senator Young, but if it works like it did last year, it wouldn't help a sorghum producer in Texas.

Senator YOUNG. That was a temporary program. But if you increase the corn base now and require 15 percent of it go into the soil-bank program, that would bring about a sizable reduction in production of corn, I think, and other feed grains.

Mr. BAKER. Well, if it did, it would only partially close the gate. It is like having a barrel that is open at both ends with a hole on the side. If you just close up one end and the bung hole and don't do something about the other end, it won't hold any water anyhow.

Senator YOUNG. If we don't compromise somewhere along the line we won't get anything.

Mr. BAKER. I agree. If we don't get some legislation, it is going to be very tough.

Senator HUMPHREY. Off the record.

(Recess was taken.)

Senator HUMPHREY. The first witness is Mr. Neel F. Hill, president of the GI Farmers of America, Webster City, Iowa.

STATEMENT OF NEEL F. HILL, STATE PRESIDENT, GI FARMERS OF AMERICA, WEBSTER CITY, IOWA

Senator HUMPHREY. Mr. Hill?

Mr. HILL. I would like to introduce Mr. Weise, our adviser, and Mr. Petty, from Eldora, Iowa.

Senator HUMPHREY. I am glad to see you. You have a prepared statement?

Mr. HILL. I have a short statement, and then we will go into corn in general.

I would like at this time to thank you for the opportunity to appear. And although I didn't go along with everything that was said this morning, I do go along this afternoon with most of the things that were said.

I realize that all present in this room have heard many times the difficulties that agriculture is experiencing. The brunt of this cost-price squeeze is being heaped upon the veteran and other younger farmers. A large percentage of veterans are being forced off the farms and into the labor pools in urban areas. If this practice continues, the average age of the farmer is approximately 50 years, and any further increase in age would prove detrimental to agriculture and the economy of the country in general. Some solution would have to be found to entice individuals to return to agriculture.

A country as great as the United States that leads the world in everything imaginable, a country that developed the nuclear bomb, the jet airplane, and many other worthwhile projects should also develop a long-range farm program that would prove workable.

Legislation is needed and time is running short. The farmers in the Corn Belt are expecting Congress to formulate some sort of program to alleviate this situation in the commercial area. Legislation is needed in other areas outside the commercial area to reduce the overall food grain production. It is just as important for the farmers outside the commercial corn area to cut total food grain production as it is for those in the commercial corn-growing areas. This new look at food grains is necessary. The soil bank is the tool to use in all areas to cut production. Soil-bank payments must be made available and distributed fairly in all areas to make this program work.

As emergency legislation we ask that minimum allotment be planned for corn as was done with other commodities. Normal carryover must also be established. 1957 is a big year in the commercial area. The present program will increase the surplus because of the lack of participation. This is the year to start reducing production of all food grains. This is the year we either sink or swim.

We believe it would take several months of diligent work to develop a complete food grain program; therefore, the soil bank is the quickest possible solution for 1957.

Some will say the corn producer has a chance to participate if the referendum had passed. We felt the program was set up for too short a period of time and the zero-to-90 clause actually was the defeat of the proposal. In other words, we could accept the 31 million acres but not with the zero-to-90 discretionary power.

The farmers in the commercial corn-growing area cannot participate in any great numbers with the 37 million acres allotment. A big percentage of this cut in acres was directly due to the unprecedented two-price system put under all corn last spring. Approximately one-third of all corn under seal is the \$1.25 corn.

Senator HUMPHREY. By the way, that corn would never have been under seal had there not have been that two-price system?

Mr. HILL. That is right.

Senator HUMPHREY. If we had stayed on the old allotment system with a reasonable number of allotted acres that some of us were fighting for—I was shooting, as you may recall, last year for 49 million with a fixed price-support level—we wouldn't have had quite so much of this trouble.

Mr. HILL. That is what is confusing most farmers that are not too well versed, cannot divide 51 million allotted acres, 51 million allotment, 51 million soil-bank acres. And it is a bit confusing, Senator.

Senator HUMPHREY. The allotted acres are related to what we call basic commodities.

Mr. HILL. That is right.

Senator HUMPHREY. Strike the word "allotment," and you really strike corn from a basic commodity. And the 51 million basic acres relate to the soil bank?

Mr. HILL. That is right.

Senator HUMPHREY. And participation in the soil bank. But it does not leave corn as a basic commodity, even though it is a basic acreage.

Mr. HILL. That is right; there is quite a bit of difference in the three.

Senator HUMPHREY. Yes, indeed.

Mr. HILL. We are sure it was a mistake; and when the allotment for 1957 was figured, this part of the corn program was directly responsible for the drastic cut to 37 million acres. This was not the farmers' fault. They must not be singled out as the scapegoat.

Until a long-range food program can be ironed out we recommend:

1. Thirty-one million minimum-acreage allotment.
2. Soil-bank payments be made to all producers of food grains.
3. Use the soil-bank formula across the board on all commodities in surplus.

4. Participation is essential and high supports will increase participation.

Senator HUMPHREY. I want to just point out that some of us warned a year ago, when you had that \$1.50 on your commercial area corn and the \$1.25 on the nonparticipating and noncomplying corn in the commercial area, that you were bound to get this increase in production.

Mr. HILL. That is right. In fact, it will run about 2 billion acres, I believe.

Senator HUMPHREY. And despite even the drought, you had a tremendous increase in production.

And the other point I note here, you emphasized that in the referendum the choice before the farmers was to go back on the old allotment system, when they had announced that the allotted acres would be 37 million because there were no minimums, such as in wheat and cotton.

Mr. HILL. That is right.

Senator HUMPHREY. Or to take the Benson plan that provided for participation in the soil bank, but with a price-support schedule ranging from zero to 90; which, of course, indicated that corn was no longer a basic commodity, because basic commodities must run from 75 to 90 and nonbasics run from zero to 90.

Mr. HILL. That is right.

Senator HUMPHREY. As one of the gentlemen testified earlier today, this zero to 90 made farmers feel in doubt as to what might happen in the future.

Mr. HILL. But I am sure that the farmers cannot go along with the 37 million acres—in fact, I would say that probably in the commercial corn-growing area, if it is left that way, that corn would run close to 60 million acres this next year.

Senator HUMPHREY. What I am worried about is, if you leave it at 37 million acres, you will get no participation, as you are saying.

And in the light of what Mr. McLain said this morning, what it amounts to is, you get \$1.26 corn which is about the price you would pay under existing law for noncompliance, or noncompliers in the commercial area. That would mean that you would just have corn planted until it is really running out of your proverbial ears.

Mr. HILL. That is right.

Senator HUMPHREY. And expanding production. And you would have more problems next year than with your overall total feed grain supply. Anyone that can look at that problem and not come up with the realization that it is a total problem of feed grain, is just not right.

Mr. HILL. I know that the cotton and wheat men have voted themselves down on their allotments, and they are going to feed grain. Now, as it appears to us, either cotton allotments are going to have to be raised, so that they can go into the acreage or reserve part of it, or raise their payments to feed grain, so they can go into the soil bank with the feed-grain program. I feel that the southern gentlemen are very sincere in their efforts to cut feed-grain production.

Senator HUMPHREY. I just had another Senator indicate that to me when we left here, while I went over to answer the quorum call. He asked me where we had been and I told him about our hearing. He said, "Well we are just not going to vote for any corn program, until the corn people are willing to take controls, No. 1; No. 2, until we can do something about these other feed grains."

So you see this is not just indicative of one man, but this is a feeling that has taken hold in the Congress, particularly here in the Senate. And I would hope that we would all understand that if you are going to have an effective corn program—and you have to have one—first of all, it has to have enough votes to get by here, or you don't get a program. And to get one by here or to pass here, it has got to have some controls in it. Because when you fix a price support level by law, the average Member of Congress feels that the recipient of that prop loan ought to be willing to either impose upon himself some controls, or accept some from the Government, because he gets the benefit of a fixed commodity loan. Now, my feeling has been that if you give a loan big enough on an allotted acreage, with broad enough allotments, you will get participation. And if you don't do it, all you will get is the present law and nobody will participate—and you will have more surplus than ever.

Mr. HILL. And the past few years it has been quite apparent that the participation has been cut rather than increased by the policy that they are trying to put forward with this 51 million, their choice of either 50 million or the 37.

Senator HUMPHREY. So your recommendation is for a 51 million minimum acreage allotment—as an emergency?

Mr. HILL. As emergency, yes.

Senator HUMPHREY. And you also recommend that you are to have supports high enough so that you will increase participation?

Mr. HILL. That is right.

Senator HUMPHREY. You are familiar with my bill, 1362?

Mr. HILL. No, not too familiar.

Senator HUMPHREY. Well, we offered under this bill \$1.50 a bushel for the crop loan on a 51-million-acre allotment, provided that the

individual farmer takes a 15 percent of that allotment and puts it into the soil bank.

I want to emphasize that he has to take 15 percent out of his corn acreage allotment.

Mr. HILL. Well, as emergency action, you are talking about?

Senator HUMPHREY. That is right. It is just a 1-year program. I am convinced we have to go back over this feed-grain problem. Don't you think it will take a few months to iron out any feed-grain situation?

Mr. HILL. Yes.

Senator HUMPHREY. It is going to take some time. I am afraid that you are also going to find that we will have some trouble in trying to work out a whole feed-grain program between now, let's say, and a couple of weeks. We need quick legislation here if we are going to accommodate our farm families in the corn-producing area. We have to come up with something very shortly.

I am hoping that when we conclude these hearings today, if it is possible, we can get our subcommittee together tomorrow. If we can work out something there we'll report as quickly as humanly possible to the full committee. I hope we can do that within the week so that we can move ahead here.

Mr. HILL. The soil bank is the quickest answer, I am sure, to take care of the feed grains. And we would like to go ahead with our corn program.

Senator HUMPHREY. Do you have anything else?

Mr. HILL. Mr. Weise has.

STATEMENT OF E. S. WEISE, ADVISER, GI FARMERS OF AMERICA, JEWELL, IOWA

Mr. WEISE. First, I want you to take a look at the chicken on the check on this booklet. It has laid a 2-cent egg, and that gets all the farm women as mad as boiled owls.

We will start out with the price support.

Originally, the support program for basic crops was instituted as disaster price insurance. First, provides a floor. Second, provides an orderly marketing system to prevent harvest gluts. Third, levels off the violent price swings in the market place from abnormal lows to extreme highs. Fourth, provided ceilings during the wars.

The program has been patched up 15 times in the last 20 years, the latest addition being the soil bank—good principal—everyone complains, condemns, and wonders why it does not work.

Have we not bent every effort, patchwork included, to transforming the function of the program into income insurance which it is not? Temporarily, we can use a crescent wrench as a hammer, however, if we persist hitting hard enough we break the wrench, so we weld it and patch it up 15 times then complain and condemn the wrench because it does not work as a hammer.

With supports came allotments, quotas, controls, and surpluses; however, the supports were the one thing agriculture needed to speed up its transition from hand labor, flesh and bone horses to cast-iron horsepower with rubber feet—tires—and total mechanization. Coupled with this came better rotation, hybrid seeds, fertilizers, sprays, drainage, contour, portable irrigation, now on the horizon is third

dimension and drugs, the technological end is not yet. All this makes a reappraisal of supports essential.

Now the problem is the reduction of surplus stocks, plus an overall reduction in production without first bankrupting farmers.

And the question is: How?

SOLUTION

Allotments were based on the then prevailing average production; let us now consider the average production for 1945-56, inclusive. This takes into account the lifting of ceilings, Korean war stimulus, total mechanization plus bumper-crop years. Apply the allotment and support—soil-bank formula—to a definite number of bushels, bales, pounds, et cetera. For the basic crops with this exception: "Free" portion of the crop can be carried over by the producer to come under support the following year as in case of a drought or market it at his discretion. I am indebted to the cotton farmers for the carryover idea.

Now, the soil-bank formula, the allotted acres times the average yield times the percentage, gave you the dollars, that is how you got your soil-bank check. Now, if you applied that same principle to the entire crop, you get the allotted acres times the 1945-56 average yield, whatever it is in there, times—we said 90 percent support—that would be \$1.50 in Hamilton County—that would be the CCC loan, that would be the Commodity Credit rate.

Now, the balance of that production there wouldn't be any support on it at all. The immediate result would be that we would have a third less for the CCC storage, reducing the surpluses by removing the incentive to overproduce in the top level, yet it ties nobody's hands which are willing to produce and sell for less dollars, which is what the Agriculture Department and some of the other people are telling us, that we should have a free market and let everybody produce what they like.

Now, we will take corn, "Support Specific Amounts."

Keep allotments, keep soil bank, support 1945-56 average production only on a countywide basis because the support price is decided on a countywide basis or whatever area affected. This period includes all the stimulants that boosted production and would be most fair in determining the base.

The chief agricultural statistician, Washington, D. C., has all pertinent data on file. Any bushels above the 1945-56 per acre average on allotted acres in the county where it was produced to be free corn no support except he, producer, may elect to carry over the free corn to the next season and in case of drought, hail, flood, or other disaster, apply such free corn to the average production set for that year or sell, feed or what, at the producer's discretion. Note—No Government storage on free corn also only free corn grown on allotted acres is eligible for the carryover feature.

This added fact: The Secretary of Agriculture will know before planting season almost to the bushel the amount that will come under support and his Department can project their planning ahead intelligently in dealing with the thus supported crop. There will be no need of fumbling in the dark, nor will we have to make the Secretary of Agriculture wait to get the November 1 crop report before he can act on the next year's allotments and production.

If CCC stocks are burdensome as at present, the average per bushel per acre can be reduced accordingly across the board. Further the incentives to produce extra bushels above the average will be removed. Conversely if the CCC stocks are low the acreage allotments can be increased, the averages raised, soil bank decreased, removed or any combination that would best suit the circumstances. This then will be a true flexible rule and because we have a flexible quantity the price automatically falls in line, thus we bring to light the fact that then we will cooperate with and not against the laws of supply and demand. An airplane flies through the air because the function of its design utilizes and cooperates with the forces of nature.

It represents some of the finest engineering skills in the world, yet an airplane is worse than worthless as a bulldozer. We must use the instruments for what they are designed.

The tremendous increased production per man and acre due to technological advances and war stimulus plus total crop support boosted the trend to large units. It is common knowledge that the fixed overhead cost per unit basis—bushel, bale, pound, et cetera—has placed the small family farmer at a distinct disadvantage plus the large “free rider.”

From 1945 through 1956 corn acres planted remained almost constant at 56,275,182. The years we had allotments in effect, 1950, 1954, and 1955, we had 44.7 percent, 40.2 percent, 50.8 percent participation, respectively, which proves farmers do not plant according to price except 1956 (\$1.25 national average guaranty for all corn planted. Some planted total farm acres).

In the years of 1954 and 1955 the noncooperator overplanted by an amount equal to the cooperators reduced planting. Much of the cooperator's crop was held off the market by purchase agreements thereby giving the free rider a market for his bumper crops at the same time saddling the Government with CCC and private storage of unprecedented stocks of commodities. Also in the absence of cross compliance we accumulated unparalleled amounts of feed grains although much of it was compressed by a 7 to 1 ratio. This mountain of feed found itself on the markets in fall of 1955 to spring of 1956 in the form of slaughter livestock and edible products of every description. At depressed prices, naturally a clamor for income protection ensued. We were in the same boat with 176 steers and 500 hogs, but the built-in shock absorber—size of cultivated farm—softened the blow. The little operator took it on the chin.

We must have a program that helps the livestock feeder, as well as the cereal, oil, feed, grain, and fiber producer.

Now, we will get down to Hamilton County, right down to the facts. We can give you firsthand figures as applied to our county.

Here we have some of the finest grade A land that lies out of doors which produces tremendous amounts of cattle, hogs, turkeys, poultry, eggs, dairy products, sheep and wool, together with an alltime record supply of CCC-owned stocks of grain plus alltime record private storage under CCC loans. Yet we have been shipping in grain from other States into this already overloaded area to take care of the livestock needs for years.

Senator HUMPHREY. Hamilton County is right up on the Minnesota border; is that it?

Mr. WEISE. No, sir; right north of Ames, but we are hauling corn out of Minnesota.

Senator HUMPHREY. We used to have this Hamilton picnic in Minnesota.

Mr. WEISE. That is right, Laverne, that is part of it.

Senator HUMPHREY. You have been up to that picnic?

Mr. WEISE. Yes.

Senator HUMPHREY. Proceed.

Mr. WEISE. We have in Hamilton County a United States storage of 3,500,000 bushels, and this was at March 1, 1955—I use the same figures, because we had that at the hearing before the House—and for private storage we have 4,500,000 bushels, which gives us an 8 million-bushel storage in Hamilton County. That is what is in the bins. And since then, in 1956, we have built a million bushels additional, and we have just about filled it up. And it looks like in 1957 we are going to build another million of storage and we are going to fill that up.

And at the same time—I don't know if you are supposed to change your rules—but you couldn't get a bushel of grain in the CCC bins here a couple of weeks ago—and so as a result we have been hauling trailer loads of corn out of Minnesota. As a matter of fact, some of it came from Carl Anderson's place up at Pipestone, Minn.

Now, the farmers aren't happy with all this surplus stuff. I am one of the guys that helped fill up one of these bins.

Just to give you an example, last spring, I believe it was the 22d of May, we attended one of this ASC meetings and they told us at the meeting, now, if you will take your livestock, your hogs, your cattle, or your turkeys, off of your pasture, then you can put that in the soil bank, but today you have got to do it. And that was about 8 o'clock in the evening. And so about 10:30 mama and I went home, got out the tractor and hooked to the turkey shelters, and pulled them over 10 or 15 yards, and hooked on to the fence, and plowed up 18 acres of alfalfa ground—it wasn't the best kind of ground, part of it was winter killed, and we would have done it anyway.

We took the money off of that—and Senator Thye right here was making some remark about we are changing our planting ratios or rates of how we are planting our corn—I will tell you what we did. There is a man by the name of Russell Wilcox who invented an electric corn planter. And his electric corn planter plants the corn any way you want to.

We plant 20-inch rows, because your cultivators are 20 inches and your cornpickers 20 inches, but we planted 20 inches—we planted in 40-inch rows and we dropped 20 by 40.

So every 20 inches we are dropping—it is just like having a 20-inch wire, instead of checking it 40 by 40 the way it is now, we checked it 20 by 40—and so we had these rows just as if it were checked in there, which it actually was, by electricity, however.

Then we took the money we got off this soil bank here, and sidedressed this corn with this fertilizer. And here is the result. [Exhibiting a large ear of corn.]

Senator HUMPHREY. You did right well, didn't you?

Mr. WEISE. But my alfalfa ground to the east of me produced about 30 bushels an acre, and this 38 acres right next to the soil bank here produced 75 bushels an acre.

Now, my contention is that—that, incidentally, isn't the biggest ear; I think we could find a bigger one.

Senator HUMPHREY. That is almost as good as we produce up in Minnesota.

Mr. WEISE. Only it isn't dry, that is the reason you sell it to us.

My contention is that if I only had support for the normal production of this piece of ground in our area, I wouldn't have been gambling with this fertilizer or soil-bank money and pouring it into fertilizer here, because it was dry.

Just east of me I have a field of alfalfa. That was plowed and put into corn, and it produced 35 bushels. On the south side of the road—there is a road that runs across my land—I produced 50 bushels, and this produced 75. And all the way across the board we produced about 55 bushels of corn to the acre.

Now, it was terribly dry down in our area—now, here is a gentleman that lives about 13 miles west of me, he produced about 35 bushels of corn without any rain. We didn't have much more, except that it was a little cloudier over at our place, and in my instance we produced 55 bushels.

Now, here is a gentleman that lives over at Eldora, about 35 miles east. They had lots of water, and they produced a hundred bushels.

Now my contention is—our contention, rather, is that if we have the supports, just at the normal level, like we originally started out in the act in 1938, when we have the normal yields we are not going to be tempted to gamble and dump that fertilizer on there, because we don't know what kind of weather we are going to get, and if we strike it we make a jackpot, and if we don't, why, we don't.

Now, if you will look at this page 8, you will notice that in order to take an average you have got to take the top production, as well as the low production, into consideration, and so if you take the average of that, the top third never will get in the bin, and likewise, the total production that the Secretary allots to us will never reach up to the maximum, because the lowest guy never gets up.

And so we will always have less bushels than we actually figured to start with. And we didn't take a blame thing out of the bin; by the law of attrition that thing would just deteriorate by itself and we would finally get to be empty, although I don't advocate a thing like that.

From above you will readily see not all farmers produce the same bushels per acre. The submarginal never attain to the average while the efficient produce above the average. It is the above average production that fills the storage bins. Thus, if the support is removed from above the average production, the producer will not be encouraged to dump a lot of fertilizer on the allotted acres to get extra production that is above the support level.

Therefore, you have a voluntary reduction in production from the top level; then, too, the average production goal that the Secretary of Agriculture sets at planting time never attains its maximum because the low producer does not reach up to the average, thereby we have a still further reduction. Again, if the support is removed from the top level of the crop, most producers would be forced into participation through the pocketbook.

The soil-bank formula should work on all supported crops.

Now, what actually happened in the commercial corn area—we will talk about that first, and then about the total feed grain—and there are some interesting figures here, if you will just take a look at them.

In the commercial corn area—and Senator Hickenlooper got through telling us this morning that we should talk about 56 million acres, because that is what was actually planted in 1956—56,275,182. We had an allotment in 1950 of 46,246,973 acres.

The support price in Hamilton County was \$1.57. The acres planted on a national basis were 52,591,240. The participation on a national basis was 44.7 percent. The nonparticipation on a national basis was 55.3 percent. And they overplanted about 13.8 percent.

Now, there is no use of my repeating all these figures, we will get to the averages.

Senator HUMPHREY. We will have all those incorporated.

Mr. WEISE. I hope you will incorporate the whole thing.

Now, the 1950–1954–55 averages. For allotted acres on a national basis, it was 46,697,058. Acres planted on a national basis, 55,040,828. The participation on a national basis was 45.2 percent; nonparticipation, 54.8 percent. And they overplanted 15.4 percent.

So you will readily see that the cooperators planted 21,559,070 acres, while the noncooperators planted 33,383,336—non-co-op planted. And we can go through the arithmetic later. The result was that we filled up the Commodity Credit Corporation houses, and the cooperators reduced plantings plus CCC storage loans withheld grain from the supply and demand market, thereby creating a market for the free riders—that is, the noncooperators—excessive plantings, these producers were encouraged to take advantage of and profit by this setup at the expense of the cooperators and Uncle Sam.

And, one of those encouragements was this \$1.25 stuff.

Now, we get to 1957, and what now? We arrive at the 37 million—there is no use talking about that any more; the participation is nil; we all agreed that it wouldn't work.

We can talk about the 51 million base acres, the 15-percent soil-bank cut. And in Hamilton County the average is \$45, although they raised it a little bit, and in any case it is \$52 an acre, but my neighbor gets only \$47, which I don't think is quite fair, I think it should be averaged up. But that is beside the point. We have 51 million acres. And I think we would bend over backwards that on the percentage basis the way it stands right today, \$1.24 in Hamilton County, but you are talking about \$1.31, on a national basis in Hamilton County amounts to \$1.24, for noncompliance, and \$1.26—if we bend over backwards and allow 6 percent participation, you are still going to plant 48 million acres.

If we take that 56 million into consideration, and we take a 25 percent cut at the same ratio clear through, we would think that you would get a larger participation, but actually you will get less. And so we would have a 49-billion-odd acre total planted. And it would take a tremendous soil bank payment to get that into being.

So a compromise would suggest a fifty-six-billion-odd figure with a 20 percent soil bank cut, and using the same figures, at that ratio we would have 47,833,910 acres. And it would take less acres planted and less soil bank money total.

Now, the soil bank formula in principle when applied to the entire crop dollar will do as follows: It is a powerful incentive for participation, now lacking, and discourages government hoarding surpluses. It is a voluntary reduction in production from top level, removes incentive to force production on remaining allotted acres.

It gives the Secretary of Agriculture a useful tool in projecting their planning ahead of crop harvest to next year's production. There is less cost to taxpayers, more income for farmers, and removes Damocles' sword from the free market.

Now, we will go to page 8. We use 51 million acres, because that is what everybody is talking about here—51 million acres and a 15 percent cut. Here is my neighbor, with 120 acres and here is a 400-acre farm I operate. And these figures are the average figures. He has a 35 base acreage, I have 161. He has 5 in soil bank, I have 24. He has \$225 soil bank payment, I have \$1,080. He has 30 allotted acres that he actually plants in corn, and a 70-bushel crop. I have 137 allotted acres, and a 70-bushel crop. He has \$2,829 income, I have \$12,971.60.

Now, if we apply this soil bank formula to the identical things now, 51 million base acreage times 15 percent cut soil bank at \$45 per acre, 90 percent support for 1945-55 county average, nothing on the balance, that will give him a \$1.50 loan rate, and a 12-year average yield 50 bushels per acre, and a 1957 crop yield of 70 bushels per acre for Hamilton County.

So here is what we have arrived at, on his 35 base acreage, with a 5-acre soil bank, his soil bank payment is \$225. And on my 161 base acreage with a 24-acre soil bank, I have \$1,080 soil bank payment. For him that leaves 30 allotted acres, and with a 50-bushel county average, that would be 1,500.

With \$2,250 loan CCC and \$510 market, his income is \$2,985. And 161 base acreage minus 24 soil bank leaves me with 137 allotted acres. With a 50-bushel county average, that makes 6,850 bushels. My CCC loan is \$10,275, plus \$2,329 market gives me \$13,684 income.

At a loan rate of \$1.50, 1,500 bushels gives a \$2,250 loan rate CCC. With 30 allotted acres and 20 bushels, that is 600 free no support. And with an 85-cent market, that is \$510. That is for him. For me, with 137 allotted acres, 20 bushels, that is \$2,740 free no support, with an 85-cent market it is \$2,329. Now, the difference between myself and him is, there is \$354 less cost to Government and \$156 more income for farmers.

And we can expect about 75 percent participation, free market about 85 cents at harvesttime, then it will go higher. I put 85 cents in there because that is the figure we used.

Senator HUMPHREY. That is a good low figure.

Mr. WEISE. Yes. And I will come back to that a little later on.

Now, with a 56 million base acreage, Senator Hickenlooper suggested, and we take a 20 percent cut from that, we will get almost the same thing. In his case, we have a 38 base acreage; he gets 7.75 soil bank, and he gets \$348.75 soil bank payment, which is a little higher. He has 30.75 allotted acres, and he gets three-quarters of an acre actually more than he plants in corn in this case, a 70-bushel crop, so with his \$2,669.10 loan, his income is \$3,017.85.

Most of that has to come out of the Treasury, you will agree, either in the form of loan or a larger soil bank payment. And we can ex-

pect under this kind of a setup 60 percent minimum to 75 percent participation, but again depending upon what kind of spring moisture we are going to have.

Now, the market in that case would be \$1.10 to \$1.20.

Now, we will take the soil bank formula applied to the entire crop, on that same figure. And we arrive at 38.5, the same base acreage, the same soil bank, the same allotted acres, in this case he has 20 bushels, no support, and we go back to the 85-cent market again—we bend over backward—and he has a total income in this case of \$3,177.75.

Now, the difference between this example and the other one, again, you have got \$174 less cost to the Government, but you get \$348.75 more income for farmers. And you will notice, that is exactly the same bank payment that we are going to give to the guy, to start with up here, under this \$1.24 rate.

In other words, without even paying a soil-bank payment he would get just as much income as he would get the other way through this other system, and we bend over backward and we only give him 85 cents for the corn in a free market.

We would expect under this kind of a system 75 percent minimum to 90 percent participation, depending on how soon the producers can study the proposal before planting time. And if we get this thing through right now, you would have to talk about an emergency, but you couldn't get it through.

But in the second year 90 percent will participate if the soil-bank payments are adjusted—we have got to get this thing straightened out between now and maybe May—if he has 47, and I have 52, and we have got the same kind of group, he is going to get sore at somebody.

Senator HUMPHREY. How come that happens?

Mr. WEISE. I don't know.

You have the committee's point, and they come around and they look this thing over, and there is no appeal from that. And this committeeman looks at this farm, and he says, gentlemen, he plants his 45, and look over here, his is 47—in this case he has got 47, 51, and the farms are just about across the road, I have got 52, this gentleman has got 55.

Senator HICKENLOOPER. Don't they take the production records on this particular land?

Mr. WEISE. Nobody ever asked me about anything; I don't know where they got it. Don't get me wrong.

Senator HICKENLOOPER. Don't the county officers have the production records on most of the farms?

Mr. WEISE. I imagine they have.

Mr. PETTY. It is up to the committeeman to decide what the average yield at that particular farm is capable of producing.

Senator HICKENLOOPER. What does he base that on? Does the county office have production reports?

Mr. PETTY. They vary from farm to farm, during the type of rotation they have been following.

Senator HICKENLOOPER. Certainly, these committeemen just don't go out and take a look at the field and pick up some of the dirt. Don't they have some statistical records? I understand that is one of the

big factors, is the historic production records of that land over a certain stated number of years.

Mr. PETTY. They base it on what the farmer is capable of producing; in other words, what type of rotation the man has been following, and it is just up to the committeemen themselves.

Senator HICKENLOOPER. I am wondering what factors they take into account; one of the controlling factors is the actual record of the production on a great many of these farms, at least in the areas where they have these production records.

Mr. PETTY. It is more or less left to the discretionary action of the committeemen.

Senator HUMPHREY. They had to do this rather rapidly last year?

Mr. WEISE. Yes.

Senator HICKENLOOPER. They didn't have any time at all.

Mr. WEISE. I agree.

Senator HUMPHREY. This is one of the reasons we wanted to review this entire program. I had requested a review of the soil-bank program, not to get at anybody, or not to cause anybody any harassment, but because I have had scores of farmers write to me about the very same situation that you are talking about. Every place I travel I run into somebody that tells me the story over and over again, about where his neighbor gets this much, and he only gets so much—and that it is just across the road, and they are planting the same kind of seed, and they have got the same kind of soil, and they have always had pretty much the same kind of yield.

Senator HICKENLOOPER. But that is strictly in the hands of the local committee.

Senator HUMPHREY. That is right.

Senator HICKENLOOPER. I am just trying to get at what factors they use.

Mr. HILL. The local committee does not function like it used to; they don't put in the hours they did at one time.

Senator HUMPHREY. That has been one of the problems. That is what some of us have felt—I personally speak only for myself. I have felt that we needed to look into how the local committees were operating on this program, because the burden of detailed responsibilities is greater than it has ever been, and yet there have been regulations that have gone out cutting down the number of hours that a committeeman can spend upon this kind of administrative activity.

Now, maybe there is good reason for it. I am not prepared to make any judgment on it, but I think it is something we ought to look into after we get the corn bill out.

Mr. WEISE. Along that line, let's look at it like this: In my particular case—I am a tenant farmer, and the landlord gets half of it—what the Sam Hill does a couple of dollars mean so far as the average there is concerned? You could take \$2 out of me and put it over on this fellow, and in our case it would amount to about \$48 apiece.

We are not particularly interested in those \$48. I am interested in what I am going to get out of the rest of the crop, that is my particular interest.

Now, why should we get a bunch of farmers, and an agonized—if I go to town and cash a \$52 check and he only gets \$47, he is not going to like it, is he?

Senator HUMPHREY. Not very well.

Mr. WEISE. He is going to get sore at the committeeman. Maybe the committee is right. I am not saying they are not, but as far as the soil-bank payment is concerned, that isn't our basic income, all that is, we are trying to level out something, why can't we just do that on a township basis, and say, well, here, Hamilton township, or some other township, whatever it is, you have \$48, you \$47, you wouldn't have the squawk that you have got across the fence, at least that would be a township way, the fellows on the township line might have some difficulty.

Mr. PETTY. Within a county, though, if there is a difference there, the sealing price of the corn is the same whether it is grown on ground that has been followed in a good rotation, or whether it is on poor ground, and we know the quality is certainly different, but still within a county you all get the same price for your sealed corn, so why shouldn't you get the same price?

Senator HUMPHREY. You get the same price for your sealed corn, but not the same price for your soil-bank payment, which is the non-produced sealed corn.

Mr. WEISE. In our case it is \$1.43, and he is just across the county line, and he gets \$1.44. That is how small the variation is.

Senator HICKENLOOPER. Getting back to the yardstick which they use, I presume that if the farmer here has been consistently producing, let's say, 65 bushels, in good average years, and if a fellow over here with the same land but with better practices, and maybe better care and attention, has been producing 75 or 80 bushels, then if he gives up some of that land, certainly it would seem to me that with his historic record as to what he has been producing after that, there probably very justifiably should be some differential, because when he is giving up is more bushels per acre under his practices than this man whose practices are otherwise.

Mr. WEISE. I will go along with that, and a little but further. This man has been building his land up, he made all of the various rotations and practices and did all the good things, when through the ASC, he is the fellow that has always been participating in the programs, and he is the fellow that is not going to kick.

Mr. PETTY. That is right.

Mr. WEISE. We were in that program ever since the thing came out, we plowed 80 acres of alfalfa every year regardless of what kind of program they had. Now, I don't give a confound for \$2 an acre, but my neighbor down there that—

Senator HICKENLOOPER. I can understand how it would lay the basis for friction.

Mr. WEISE. Terrific.

Senator HICKENLOOPER. What I was trying to get at a while ago, what formula do they use, what could they add up here to arrive at what they say is the value to be put on this retired acre?

Mr. WEISE. Now, there is one further thing I want to point out to you gentlemen here.

You will see that on this 120-acre farm that he had 615 bushels—this is on page 9, of free corn. And if you look at my place, I have got 2,832 bushels of free corn. Now, there is one place we are going to stop that swallow-up deal that we had that I was just speaking to you about, because I have got an advantage over this fellow, I can produce that corn, because I have more acres, and my tractor is the same kind

of a tractor, I have the same overhead, I just put a little more gas in it, and I work just a little bit longer on that, I may have to get up an hour earlier to cultivate the stuff, but I have got the same price supports under the total crop that he has, and that is where I get the advantage, you just take a little of that away.

Now, in my case, I seal up corn, and after a purchase agreement on the rest of this stuff, I go out and buy hogs and do whatever I want, and I start feeding corn, and if it looks to me like—well, I can buy some corn cheaper than the ceiling price—why, just keep on buying corn, and leave the rest of it in a bin, and finally haul it to town.

But there is the thing, I have got a sure thing, the Government comes around, and he says, here, we are going to give you \$1.43 for this corn you produce, you put it in a bin, that is O. K., that is a sure thing. You know and I know that the farmers are gamblers, they are the biggest gamblers on earth. I have got a sure thing, \$1.43 on this corn, and still I gamble that corn on a bunch of cattle and hogs, that is exactly what I am doing.

Now, why should the Government give me—well, you can have your cake and eat it too at the same time, and then I go to work and take the cake and gamble it away, and then I holler because I don't get any price for cattle and hogs, and whose fault is it?

Therefore, I say we should remove part of that incentive from the top. I am actually asking you to cut my wages. But I will tell you this. Last Friday I sat in a meeting with Mr. Robert C. Liebenhowe, president of the Chicago Board of Trade, which is the oldest commodity market in the world, and he said, if we would cut, making an actual cut of 20 percent on the corn straight across the board and get it to stick, the price of corn would get up to \$1.50 and we would eventually put in 3 years under this kind of a system, we would work right through the supports, and the supports would take it over. Isn't that exactly what the administration is trying to do, except they want to knock down the support to get under the market, and then have the market take the thing over?

Well, that is a swell Indian rope trick, if you can do it, as long as those bins are full. If we could dump the whole works in the ocean tomorrow and dry it out tomorrow, it might work, but not as long as we have got those bins full of grain or a warehouse full of cotton.

I talked to Mr. Mayer, he is the oldest, one of the oldest commodity traders with Merrill Lynch, Pierce Fenner, & Beane, one of the largest commodity traders in the world, and they have customers that talk in millions of bushels. And he comes around with the same story, he says, you just simply have got to have a cut. We are going to get back into this feed grain business, regardless of where this corn was planted, whether in New York City or in Hollywood, or Minneapolis, or in Texas, or in the Corn Belt, when the total bushels are added up, and they pick all these ears up and they total them altogether, then the board of trade says, "Well, boys, you have got that much corn," and they don't give a confound whether it is raised in North Dakota or Iowa or Ohio, or where it is raised, that is only bushels of corn, and that is how they are going to figure the price.

And they are also going to look at how much grain, sorghum, oats, flax, soybeans, and the other things added together, and that is the thing we have got to look at. You can't do that tomorrow or the next day.

I would like to get into this thing here—expanding the soil bank.

Senator HUMPHREY. What you are saying is that you have to look at the total feed grain picture when you start talking about corn or any other commodity; is that right?

Mr. WEISE. That is right.

If the purpose of the soil-bank program is to restrain agricultural production and to provide supplementary income for farmers, then the proposal to let farmers put more feed grain acreage into the "bank" would seem to be a logical one.

The House Agriculture Committee has approved a bill which would make more crop acres eligible for the "acreage reserve." The acreage reserve phase of the soil-bank program offers payments to farmers to hold a portion of their basic-crop allotments out of production. The House committee proposal is to let farmers also put feed grain acreage, other than corn, into the acreage reserve. This would include oats, barley, rye, sorghums, flaxseed, corn outside the commercial areas and wheat where the farm has less than 15 acres.

This proposal is designed to curb expansion of other feed grains on land taken out of basic crops. In recent years, farmers in the Great Plains and in the South have expanded production of feed grains on land taken out of wheat and cotton. The House committee bill aims to induce farmers to put some of this feed grain acreage into the soil bank.

Under one provision of the proposed new law, farmers could put additional feed grain land into the soil bank, even if they did not have basic-crop allotments on their farms.

In short, this proposal is simply a way of getting more land into the acreage reserve of the soil bank, curbing the expansion in feed grain production and increasing the total soil-bank payments to farmers.

With the surplus situation the way it is and with farm incomes where they are, this sounds like a sensible addition to the soil-bank program now in operation. The payments ought to be high enough to induce farmers to put a great deal more land in the soil bank than now seems probable.

All agree overproduction is our main trouble, that we must look at all feed grains and not corn only of the commercial-corn area. It seems that we are all in agreement that corn, regardless of where it is produced, is still corn; that the hog and livestock in general will walk to where it is produced regardless of any imaginary boundaries; further, it is useless to talk about controlling corn production "inside" of the commercial corn area if the "outside" can plant "unrestricted at supported prices." This in itself is useless also if we do not look at all feed grains and simultaneously reduce their production across the board as so aptly put by Prof. J. Carroll Bottum, Purdue University; further, he says, "It will take a 40-million-acre soil bank to do it effectively."

When the commercial-corn area was first outlined in 1938, it comprised 566 counties in 12 States; 1957 totals up 894 counties in 24 States. Inasmuch as there is no thought of "containment"—in fact, according to the Agricultural Act of 1938 under title 3, section 301 B (4) (a) and (b), the commercial-corn area must expand, until every acre of cornland is included in all 48 States—this device is a roadblock that handicaps our progress, for we have throughout the last 18 years

planted on the average 84,532,720 acres (United States total), of which 56,275,182 were in the commercial area.

Now, let's take a look at the commercial-corn-area figures. We start out in 1938, with 566 counties, and we had 44,049,000 acres of corn. In 1939, 586 counties, 42,034,000 acres. In 1940, 599 counties, 39,924,000 acres. In 1941, 623 counties, 40,978,000 acres. In 1942, 623 counties, 43,091,000 acres. In 1943, 623 counties, 48,268,000 acres. From 1944 to 1949 there was no program. In 1950, 837 counties, 52,584,000 acres. From 1951 to 1953, there was no program. In 1954, 834 counties, 56,544,500 acres. In 1955, 805 counties, 55,994,200 acres. In 1956, 840 counties, 56,086,000 acres. Now, in 1957, we are going to have 894 counties in 24 States, and we started out with 12 States.

Now, the figure that I got from the Department of Agriculture—and I can't reconcile this figure at all—it says that we planted in 1956, 56,086,000 acres, and we put 1,943,155 in the soil bank, and we should have 53,025,184 acres of corn that we harvested.

Now, the only thing I can figure out is this: that we had 45 percent of the people that signed up for the soil-bank acres, or whatever it is, measured acres, that actually complied with it. And then this soil bank that we took out of this should have reduced the crop, but someplace else I read we planted over 58 million acres, even with the soil-bank acres in addition taken out. I understand there is a drought situation that had an awful lot to do with the soil bank.

Now, like I said before, and Senator Hickenlooper brought out, we should be talking about 56 million acres.

Now, this area, if you take a look at that man there, in this area we just keep on expanding. And we have been planting 56 million acres in this area, but we just keep on stretching out. Now, we planted a total of 84,532,720 acres of corn, and an average for 18 years—and that goes back to 1938—and that is overall—and this is in a commercial area. And we planted 38,105,707 acres of oats, 12,028,944 acres of barley, and 7,568,611 acres of grain sorghum.

We have 7,568,611 acres, but in 1954-56 the average jumped up to 12 million.

Senator HUMPHREY. On grain sorghum?

Mr. WEISE. On grain sorghum.

So we had a total grain acreage of 142,569,400.

Now, I took this up with Prof. J. Carroll Bottum, of Purdue University, and he says if we take a 50-percent soil-bank cut, plus 10 percent tillable acres seeded in grass, we get 43 million acres total soil bank, and that is 29 million acres of cultivated crop that is going in the soil bank, and we have fourteen-million-some-odd-hundred-thousand acres in grass, and if you put it in grass, they don't expect you to plow it up the next year.

But here is the way we went in. We have a soil bank, and the crop rate that you put in the bank—if you put corn in, we are going to pay you for corn rate; if you puts oats, for the oats rate; if you put barley in, for the barley rate; and if you put grain sorghum in, for the grain sorghum rate; the same with cotton, tobacco, and so on and so forth.

Now, the 10 percent seeded would be at the conservation rate; you wouldn't get any pay at all if you cut hay off, or if you pasture it.

Now Carroll Bottum wrote the figures right on the back of a

paper—he was down at the Farm Institute of Des Moines—he says, you are going to have from 30 million to 50 million acres, and if you pasture it or cut hay off it, the soil-bank acres are only worth two-thirds—in other words, you will be getting some revenue out of the grass, and so on and so forth, but it is only worth two-thirds as much as if it were in a soil-bank conservation reserve entirely.

But in connection with that, we don't want any new land put into production.

Now, I was down to several different places, and I roamed around this winter a little in the South and in the North and in the West, and right in Iowa you can see the evidence of it, too; we are just going to drain an old slough and plow it up and represent a few spears of corn on it, and whether we have a standard or not, throw it in the soil bank.

That doesn't reduce any crop, but in the South they bulldoze out some trees, in Minnesota they bulldoze out things and plant something else, and and they call it a soil bank. That doesn't work. This is for the United States as a whole. You have got to take the whole thing into consideration, or else the whole thing doesn't work at all.

Now, in connection with that, everybody throws up their hands and says, "Where are you going to get the money?" All right. We have an expanded soil bank, and we have that 142,569,400 acres, times the 20-percent cut, which gives us that 29 million acreage-reserve soil bank, plus 10 percent seeded, which is 14, which gives us a total of forty-three-million-odd. Now, where are we going to get the money?

Soil bank payments ought to be made in "kind" held in "trust."

The Secretary of Agriculture shall issue "warehouse certificates" in bales, bushels, pounds, et cetera, equivalent in value at current support prices of the commodity, the production of which was reduced by cooperative via soil bank. Further, the Secretary of Agriculture shall be empowered to "call" the warehouse certificates and in exchange deliver the commodity so designated on the certificate at the warehouse, bin, site, et cetera, in an amount that can be "fed" into the normal channels of trade without disrupting the market.

The "call" shall be on an area basis at the discretion of the Secretary of Agriculture.

Here is an example: We have got this warehouse certificate from John Doe—this happens to be my legal description here. We have reduced production, we have got corn, grain, sorghum, barley, and oats, and you can add anything else. If you want to use your pencil, we will put 10 acres in this 1 place here, at \$52 an acre and that gives us \$520. Now, \$520, divided by—and the support was \$1.43 in Hamilton County—that is what the bin rate is. So we have 363.63 bushels of No. 2 Yellow corn at the bin site located at Jewell—well, that certificate can be signed by the ASC county committee and the CCC, Department of Agriculture.

Now, John Doe can take this instrument to the local bank and borrow money on it if he needs it. He will pay no income tax on this transaction until the commodity is actually delivered. And up to that point the Department of Agriculture has only made collateral available to John Doe.

Now, the Secretary of Agriculture could use the certificates as a lever for disposing of burdensome stocks or such as may be going out

of condition, by placing a bonus on the commodity that he wanted to move at a where-is-as-is basis.

Thus, at the option of the certificate holder, he could exchange or interchange his oats certificate for corn or grain sorghum, et cetera, at the proper rate of exchange, plus bonus.

I want to go into one little thing else right there, and that is that these bins—I think they are going to issue an order—I happen to be vice president of the Jewell Cooperative Elevator, and we built a 120,000-bushel storage bin last year, and we filled it full of corn, and we had a quonset with 46,000 bushels in it, and a bunch of other bins with grain, and the Government has a bunch of tin cans that we use, that is Government grain, and some of this grain goes out of condition, and the Government issues orders, and they tell us, you fill this car with grain, we don't know where it is going, it is marked "Commodity Credit, Chicago," or Des Moines, or some place else; anyway, the car starts out of Jewell, and away it goes.

Now, that car can get to Des Moines, and the Rock Island can sit down there, or any other railroad, and they have an order and say, we are going to pick up 10 cars off of Northwestern, and this grain is going down to Kansas City, or some other place.

The feeders down in the South have been getting this grain at a discount. They buy it right in this bin at a discount. Now, I witnessed the thing last year—the grain is loaded out of barges at Muscatine, and for 10 cents it is floated down the river to Lake Providence, La., and this corporation that used to be down at Kissimee, Fla.—I helped down there, and if I am not mistaken, the manager's name was Edmunds—anyway, this corn is floated down the river, and the way I understood it, it is loaded, unloaded, on to other barges on the dock at Lake Providence for 12 cents—in other words, you can float it from Muscatine, Iowa, down here to Lake Providence for 12 cents a bushel, and unload it on the dock.

I understood that these people can buy this grain down there for \$1, and I believe \$1.27, including this long tow down there. Then we couldn't buy any right there where we are, we couldn't buy any of that Government grain, at that time I think they wanted \$1.60 or \$1.70, but there is a relaxation in it now, I don't know what the last order is that has come into being.

But the point I want to make is this, now these cattle down there, and they feed thousands of them, down in the Delta Pine Land, down in Scott, Miss.—you can talk to Dr. Sawyer, if you like, and they are feeding thousands of cattle there, too; incidentally, they raised 40,000 bushels of corn last year—these cattle down there, there is some special vitamin or something in these cattle that they can be subsidized by this cheaper kind of grain, those cattle that they raise down there and put on the market, the cattle that we used to ship to Chicago, that meat market, Swift, or whoever it was used to ship down there, are gone.

Now, we shipped them to Chicago, we got 18 cents a pound, these cattle that are sold right there aren't as good a grade of cattle as we have to ship to Chicago, they can get 20 cents a pound for. Now, that is something that is hard to see.

Senator HUMPHREY. I guess it is. I don't know what the answer to it is, but if those are the facts, there is something wrong.

Mr. WEISE. If you would take all feed grains into consideration, you wouldn't have that trouble.

The minute we went to work and took these acres—now, here is another thing I would like to look at, and that is this, the Secretary says that he must support this, he must support here—it is ridiculous to assume that we can balance the feed-grain needs including corn in this country without recognizing the importance of other feeds that are in direct competition with corn, family oats, barley, grain sorghum, not to mention wheat, for feed, at 15 acres—we have done that, too, we have two 15-acres from the wheat people, we are going to raise that for them, and soybeans, and everything else. We are informed by the Secretary's Office that in order to prevent uneconomic production of corn, he must apply price support to corn producers outside the commercial area, as well as supports on noncompliance corn in the commercial area this coming year.

And what is more economic than taking—now, in Hamilton County where we live, we are going to take 4,000 acres of the best cornland in the United States out of Hamilton County and support that program of corn production elsewhere; is not this, in effect, a subsidy in the fertilizer industry and irrigation equipment people?

Senator HUMPHREY. Mr. Weise, I think we are going to have to kind of call this to a halt, even though I must say that your testimony is most interesting. We have another gentleman to hear from, and it is a quarter to 6. And I don't want to have anything to go over to tomorrow.

Do you have something, Mr. Petty?

Mr. PETTY. No.

Mr. WEISE. Could I have 1 more question?

Senator HUMPHREY. What is it?

Mr. WEISE. I understand that you are just going to get some temporary legislation before the people so that we can plant corn?

Senator HUMPHREY. Right.

Mr. WEISE. And then we are going to examine the whole thing and look at it again?

Senator HUMPHREY. I would hope that that would be our purpose. It seems to me we should do that.

Senator HICKENLOOPER. There is no question, I think, but what we have to do that.

Senator HUMPHREY. Yes.

Mr. WEISE. If and when such hearings come into being, I would like to be one of the witnesses again.

Senator HUMPHREY. We will see that that takes place.

Mr. WEISE. There is this much about it: I feel that we have other organizations, there are a lot of farmers looking at this thing, and the total feed grains. And we get the Des Moines Register and the Wallaces' Farmer, and every other farmer's magazine, and there are a lot of professors looking at the same thing.

We recognize that we have got to do a lot of things different. And we can consolidate our views on the outside, we don't have to do it here, we can do it some Saturday afternoon at somebody's house, like we do any other time. And then we could get here with maybe a lot of thought already consolidated.

In other words, it would have jelled before we got here.

Senator HUMPHREY. That would be very helpful.

Mr. HILL. I have about 2 minutes.

Senator HUMPHREY. Mr. Hill.

Mr. HILL. This morning we heard quite a little bit about elimination of farmers. Well, a million of them have already left us, as I understand it. And the surplus is worse than when the million were on the farms.

I want this committee to know that this organization has not confused the inheritance with their efficiency, and that is what is happening: the word "efficiency" is being used too much, when they mean "inheritance."

And as far as we are concerned, on reading of all Government stocks of grains, I classify that as one of the most un-American things that was ever said. Where would we have been before World War II if we had not had the stocks of Government bank?

And the soil bank, I really believe that if the soil bank had been started when it should have been, that we could very well have left a certain percentage of tillable acres and put that in the soil bank for something to get your higher supports, which is going to end up the same anyway.

Am I right?

Senator HUMPHREY. Yes.

Mr. HILL. And there is quite an element that are trying to end all farm programs, I am sure you understand that we will go along with that statement.

Is that right, Senator?

Senator HUMPHREY. I think there are some forces in the country that are not very happy about farm programs.

Mr. HILL. Now, this is the solution. Because of the wide differences in solution to farm programs, we feel this is the time to prove once and for all if a program is feasible. Many believe in higher-support programs. The theory is that the incentive to participate, even though the acreage is lower, is the solution. Many believe that lower supports and higher acreage will reduce surplus.

We hope Congress will appropriate a small sum of money that would develop facts and prove once and for all the answer to the big question: Is a farm program good or bad? Is the world market the answer? Is supply and demand the answer?

In other words, we would want economists to figure what diversified farmers would earn on their acres, with no protection from other countries farm programs, such as the wheat agreement, and stuff like that, and to plan and to figure the prices that could be developed, and to prove this, to the satisfaction of farmers and city people, alike, we must be able to provide the facts.

And therefore, we recommend: Take farms out of the corn area, the wheat area and the cotton area, and put these farms on the so-called world market price less freight charges to either coast or gulf, and open up the financial records to the public when this project is started, and every product on these farms would be figured on these bases, world market bases, without any prediction from other countries' programs, because I feel that if the United States ever ends their farm program, it might tend to end the other farm programs in other countries.

Individuals are on record favoring this sort of program. We suggest that they be given this opportunity to prove their theory. Individuals must believe in the program they are participating in. It would be very difficult for any farmer that believed in higher supports to undertake this program, as it might prove unfair.

In other words, if a man doesn't believe in something, you can't go along. But if you believe in a world market, then you should be willing to try. If this market is wise and financially sound, the rest of the farmers would have to go along. If it were unwise, it could be stopped before the rest of the farmers are asked to undertake the same program.

In other words, Congress and the public would know and would rely on this information. This experiment is practical, and should prove informative.

Senator HUMPHREY. Thank you for your suggestion, Mr. Hill.

I am going to ask Mr. Staley now to come forward. And, Mr. Staley, we are going to have to shorten this up.

Thank you very much, Mr. Hill.

As I understand, gentlemen, you wanted the brochure you prepared to be included as a part of this record?

Mr. WEISE. Yes, sir.

Senator HUMPHREY. The examples and the part you did not present will be put in the record at this point. Thank you very much.

(The material is as follows:)

THE COMMERCIAL CORN AREA PAST PERFORMANCE

1945 - 1956 INCLUSIVE PLANTINGS 12 YEAR AVERAGE 56,275,182 ACRES

ALLOTTED ACRES (NATIONAL)	SUPPORT PRICE (HAMILTON COUNTY)	ACRES PLANTED (NATIONAL)	PARTICIPATION (NATIONAL)	NON-PARTICIPATION (NATIONAL)	OVER PLANTED (NATIONAL)
1950 - 46,246,973	\$1.57	52,591,240	44.7%	55.3%	13.8%
1954 - 46,995,504	\$1.55	56,505,000	40.2%	59.8%	20.4%
1955 - 49,842,697	\$1.51	56,027,040	50.8%	49.2%	12.4%
1956 - 51,000,000 (Base Acres)	\$1.43	56,275,182 (est.)	?	?	?

1950 - 1954 - 1955 - A V E R A G E S

47,697,058

55,040,828

45.2%

54.8%

15.4%

PLANTED BY COOPERATORS

47,697,057 X 45.2% = 21,559,070 acres

PLANTED BY NON - COOPERATORS

47,697,058 X 54.8% = 26,137,988 Allotted acres
 47,697,058 X 15.4% = 7,345,348 Over planted
 Non Co-op planted 33,383,336 Total planting

R E S U L T :

1950 - 1954 - 1955 - (1956 - 56,275,182 est.)

55,040,828 Actual acres planted (average)

47,697,058 Allotted acres

7,345,770 Over planted by Non-Cooperators

26,137,988 Allotted acres by Non-Cooperators

21,599,070 Allotted acres by Cooperators

55,042,406 Total plantings (average)

Filled up COMMODITY CREDIT CORP. WAREHOUSES

Cooperators reduced plantings plus CCC storage loans with held grain from the SUPPLY & DEMAND MARKET thereby creating a market for the "FREE RIDERS" (Non-Cooperator) excessive plantings, these producers were encouraged to take advantage of and profit by this set up at the expense of the Cooperators & "Uncle Sam"

1957 ?????? - WHAT NOW - ?????? 1957

37, 000, 000 Alloted acres X \$1.36 per bu. National average, \$1.29 per bu. (Hamilton County average) Participation - "NIL"

51, 000, 000 Base acreage X 15% Soil Bank cut at \$45.00 per acre with Support loans at \$1.24 (Hamilton County) "OR"
Participation expected 60% "Top"

51, 000, 000 X 15% = 43, 350, 000 Desired acreage
60% Participation
26, 010, 000 Cooperators
56, 275, 182 X 40% = 22, 510, 075 Non-Cooperators
48, 520, 078 Estimated planting

56, 275, 182 Base acreage X 25% Soil Bank Cut at \$45. per acre with Support loans at \$1.24 (Hamilton Co.)
Participation expected 40% to 50% depending on spring moisture.
56, 275, 182 X 75% = 42, 205, 376 Desired acreage
50% Participation
21, 102, 688 Cooperators
56, 275, 182 X 50% = 28, 137, 591 Non-Cooperators
49, 240, 279 Estimated plantings
Note-more acres planted plus top heavy Soil Bank Payments

A compromise would suggest the following -----

56, 275, 182 Base acreage X 20% Soil Bank Cut at \$45 per acre with Support loans at \$1.24 (Hamilton Co.)
Participation expected 60% minimum to 75% depending on spring moisture.

56, 275, 182 X 80% = 45, 020, 146 Desired acreage (20% cut)
75% Participation
33, 765, 110 Cooperators
56, 275, 182 X 25% = 14, 068, 800 Non-Cooperator
47, 833, 910 Estimated acres planted

Note-less acres planted, less Soil Bank money per farm

The SOIL BANK FORMULA in PRINCIPAL when applied to ENTIRE CROP will do as follows:

1. Powerful incentive for participation, now lacking, discourages Government hoarding surpluses.
2. Voluntary reduction in production from top level, removes incentive to force production on remaining allotted acres.
3. Gives Secretary of Agriculture a useful tool in projecting their planning ahead of crop harvest to next years production.
4. Less cost to taxpayers, more income for farmers, removes Damocles sword from free market.

EXAMPLES OF SEVERAL ALTERNATIVES :

1. A. 51,000,000 Base acreage X 15% cut Soil Bank at \$45.00 per acre with \$1.24 loan rate 70 bu. crop (Hamilton County)

120 ACRE FARM	400 ACRE FARM
35 Base acreage	161 Base acreage
<u>5</u> Soil Bank -----\$ 225.00 Soil Bank Payment	<u>24</u> Soil Bank -----\$ 1080.00 Soil Bank Payment
30 Allotted acres <u>2604.00</u> Loan CCC	137 Allotted acres <u>11891.60</u> Loan CCC
70 bu. crop <u>\$2829.00</u> Income	70 bu. crop <u>\$12971.60</u> Income
2100	9590
<u>\$1.24</u> loan rate	<u>\$1.24</u> loan rate
<u>\$2604.00</u> loan CCC	<u>\$11891.60</u> loan CCC

WE CAN EXPECT 60% ("TOP") PARTICIPATION, MARKET ABOUT \$1.10 MAYBE LESS AT HARVEST TIME.

- B. 51,000,000 Base acreage X 15% cut Soil Bank at \$45.00 per acre 90% Support for 1945-1955 county average, nothing on the balance (\$1.50 loan rate, 12 year average yield 50 bu. per acre, 1957 crop yield 70 bu. per acre - Hamilton County).

120 ACRE FARM	400 ACRE FARM
35 Base acreage	161 Base acreage
<u>5</u> Soil Bank -----\$ 225.00 Soil Bank Payment	<u>24</u> Soil Bank -----\$ 1080.00 Soil Bank Payment
30 Allotted acres <u>2250.00</u> Loan CCC	137 Allotted acres <u>10275.00</u> Loan CCC
50 bu. County ave. <u>510.00</u> Market	50 Bu. County ave. <u>2329.00</u> Market
1500	6850
<u>\$1.50</u> loan rate	<u>\$1.50</u> loan rate
<u>\$2250.00</u> loan CCC	<u>\$10275.00</u> loan CCC
30 Allotted acres	137 Allotted acres
20 bu.	20 bu.
600 Free No Support	2740 Free no support
<u>854</u> Market	<u>854</u> Market
<u>\$510.00</u>	<u>\$2329.00</u>

The difference between examples 1B and example 1A is as follows:

\$354.00 Less cost to Government \$156.00 More income for Farmers.
WE CAN EXPECT ABOUT 75% PARTICIPATION, FREE MARKET ABOUT 85¢ AT HARVEST TIME THEN GO HIGHER.

2.

A. 56, 275, 182 Base acreage X 20% cut Soil Bank at \$45.00 per acre with \$1.24 loan rate, 70 bu. crop (Hamilton County)

120 ACRE FARM

38.5	Base acreage		177	Base acreage	
7.75	Soil Bank -----	\$ 348.75	35.40	Soil Bank -----	\$ 1593.00
30.75	Allotted acres	2669.10	141.60	Allotted acres	12290.88
70	Bu. Crop	\$3017.85	70	bu. crop	\$13883.88
2152.50			9912.00		Income
\$1.24	Loan Rate		\$1.24	Loan rate	
\$2669.10	Loan CCC		12290.88	Loan CCC	

WE CAN EXPECT 60% MINIMUM TO 75% PARTICIPATION, AGAIN SPRING MOISTURE WILL INFLUENCE PRODUCERS, MARKET \$1.10 to \$1.20.

SOIL BANK FORMULA APPLIED TO ENTIRE CROP

B. 56, 275, 182 Base acreage X 20% cut Soil Bank at \$45.00 per acre 90% Support for (1945-1956) county average, nothing on the balance (\$1.50 loan rate, 12 year average yield 50 bu. per acre, 1957 crop yield 70 bu. per acre - Hamilton County).

120 ACRE FARM

38.5	Base acreage		177	Base acreage	
7.75	Soil Bank -----	\$ 348.75	35.40	Soil Bank -----	\$ 1593.00
30.75	Allotted acres	2306.25	141.60	Allotted acres	10620.00
50	bu. 12 yr. av. yld.	522.75	50	bu. 12 yr. av. yld.	2407.20
1537.50		\$3177.75	7080.00		Market
\$1.50	Loan Rate		\$1.50	Loan rate	
2306.25	Loan CCC		\$10620.00	Loan CCC	
30.75	Allotted acres		141.60	Allotted acres	
20	bu. no support		20	bu. no support	
615.00			2832.00		
85¢	market		85¢	Market	
522.75			\$2407.20		

The difference between examples 2B and example 1A is as follows:

\$174.00 Less cost to Government \$348.75 More income for Farmers.
 WE CAN EXPECT 75% MINIMUM TO 90% PARTICIPATION DEPENDING ON HOW SOON THE PRODUCERS CAN STUDY THE PROPOSAL BEFORE PLANTING TIME. THE SECOND YEAR 90% WILL PARTICIPATE IF THE SOIL BANK PAYMENTS ARE ADJUSTED, MARKET \$1.10 to \$1.25 AT HARVEST TIME THEN SHARPLY HIGHER TO \$1.50. WITHIN THREE YEARS THE MARKET WILL HAVE SURPASSED THE SUPPORTS AND ALLOTMENTS CAN BE INCREASED AND SOIL BANK DECREASED OR STOPPED ENTIRELY. THIS WILL BE A "TRUE FLOOR" UNDER ALL AGRICULTURE IF THE "SOIL BANK FORMULA" IN PRINCIPAL IS APPLIED TO ALL SUPPORTED CROPS.

WE FAVOR THE LAST EXAMPLE 2B.

EXPANDED SOIL BANK

18 year average
total U. S. feed
grain acreage--- 142,569,400 X 20% cut = 29,000,000 Acreage Reserve Soil Bank, plus
142,569,400 X 10% seeded = 14,000,000 Conservation Reserve Soil Bank

????? WHERE ARE WE GOING TO GET THE MONEY ?????

SOIL BANK PAYMENTS be made in "KIND" held in "TRUST"

The Secretary of Agriculture shall Issue "WAREHOUSE CERTIFICATES" In BALES, BUSHELS, POUNDS, ETC. equivalent in value at current support prices of the commodity, the production of which was reduced by co-operator via SOIL BANK. Further the Secretary of Agriculture shall be empowered to "CALL" the warehouse certificates and in exchange deliver the commodity so designated on the certificate at the warehouse, bin site, etc. in an amount that can be "FED" into the normal channels of trade without disrupting the market. The "CALL" shall be on an area basis at the discretion of the Secretary of Agriculture.

EXAMPLE:

WAREHOUSE CERTIFICATE in KIND subject to "CALL"

JOHN DOE SE $\frac{1}{4}$ & E $\frac{1}{2}$ of SW $\frac{1}{4}$ of Section 15-87 N-24W, Hamilton County, Iowa -----
Com
REDUCED PRODUCTION Grain Sorghum _____ Acres @ _____ per acre Via Soil Bank= _____
Barley
Oats
_____ (support rate)= _____ Bushels _____ at bin site, located, Jewell, Ia
A.S.C. County Committee COMMODITY CREDIT CORPORATION Dept. of Agriculture
Signed x x x x x'x x x Signed x x x x x x x x x x Signed x x x x x x x x x
Chairman Proper Officer Secretary

JOHN DOE can take this instrument to the local bank and borrow money on it, he will pay no income tax on this transaction until the commodity is actually delivered. Up to that point the Department of Agriculture has only made collateral available to JOHN DOE.

The Secretary of Agriculture could use the certificates as a lever for disposing of burdensome stocks or such as maybe going out of condition, by placing a bonus on the commodity that he wanted to move at a where is as is basis.

Thus at the option of the Certificate holder, he could exchange or interchange his OATS Certificate for corn or grain sorghum etc. at the proper rate of exchange plus bonus.

EXPANDING THE SOIL BANK

If the purpose of the soil-bank program is to restrain agricultural production and to provide supplementary income for farmers, then the proposal to let farmers put more feed grain acreage into the bank would seem to be a logical one. * * * With the surplus situation the way it is and with farm incomes where they are, this sounds like a sensible addition to the soil bank program now in operation.—LOREN K. SOTH, editor, Des Moines Register, Des Moines, Iowa.

All agree overproduction is our main trouble, that we must look at all feed grains and not corn only of the commercial corn area. It seems that we are all in agreement that corn, regardless of where it is produced is still corn, that the hog and livestock in general will walk to where it is produced regardless of any imaginary boundaries, further, it is useless to talk about controlling corn production "inside" of the commercial corn area if the "outside" can plant unrestricted at supported prices. This in itself is useless also if we do not look at all feed grains and simultaneously reduce their production across the board as so aptly put by Prof. J. Carroll Bottum, Purdue University, further he says, "it will take 40 million acre soil bank to do it effectively."

When the commercial corn area was first outlined in 1938, it comprised 566 counties in 12 States, 1957 totals up 894 counties in 24 States. Inasmuch as there is no thought of containment in fact according to the Agricultural act of 1938 under title 3, section 301 B parenthesis (4) (a) and (b) the commercial corn area must expand, until every acre of corn land is included in all 48 States, this device is a roadblock that handicaps our progress, for we have throughout

the last 18 years planted on the average 84,532,720 acres (United States total) of which 56,275,182 were in the commercial area.

It is ridiculous to assume that we can balance our feed-grain needs (including corn) in this country without recognizing the importance of these other feeds that are direct competitors of corn, namely, oats, barley, grain sorghums, not to mention wheat for feed under 15 acres.

We are informed by the Secretary's office that in order to prevent uneconomic production of corn he must apply price supports to corn produced outside of the commercial area as well as support noncompliance in the commercial area this coming year. What is more uneconomic than taking 4,000 acres of the best cornland in United States out of Hamilton County and support that amount of corn production elsewhere? Is not this in effect a subsidy to the fertilizer industry and irrigation equipment people?

CONCLUSION

Some labor under the false assumption that if we empty all the grain bins, Government warehouses, and so forth, and throw everything out the window, so to speak, or cut the support price, everything will be solved. To be sure, there would be some drastic changes, insofar as supply is concerned it would only be of temporary duration, unless we can grow some crops that farmers consume in the production of our basics we will have surpluses. Just go back a generation, our fathers farmed with horses and mules, every time my father's Bessie, Maude, or Queenie had a colt, father had a new engine. His boys and girls, too, filled the barns with hay, the bins with oats, that was his fuel. He consumed one-fourth of his production to produce that which he sold.

Today his smart son is totally mechanized; he consumes nothing that he produces to raise the next crop. In our case we spend \$1,750 to \$2,000 for gas, oil, repairs, etc., to say nothing of the depreciation and obsolescence of just tractors. So, on the market goes \$1,750 worth of crops to pay the bill, inasmuch as we don't consume this amount of our production we actually force the supply and demand market to absorb twice as much, or \$3,500 worth of produce. If we consumed as our forefathers did to produce the next crop, it would reduce the surplus by that amount. You can't stop progress, nor would we if we could, consequently agriculture needs new crops, some we could burn up in our tractors.

1. Employ the truth to the limit, remove agriculture from the political football arena.
2. Goal 100 percent producer participation, all segments be represented, including tenant farmers and consumers.
3. Utilize the forces that motivate human nature, the pocketbook.
4. Ever more research, new crops, new industrial uses for agricultural products, cooperative marketing and farmer-owned plants wherein he can contribute some of the labor in the processing and packaging of his products.
5. Promote farmlands into the hands of young operators.
6. It may grow in size but there will always be small family farms, employ (pay) them to find new crops that farmers will consume in the production of the basics before we make further attempts at plowing them under.
7. Not discourage but desist encouraging the age-old maxim, "The rich get richer, the poor pay the freight and have children."

STATEMENT OF OREN LEE STALEY, PRESIDENT, NATIONAL FARMERS ORGANIZATION, REA, MO.

Senator HUMPHREY. We are very happy to have you, Mr. Staley. Would you proceed?

Mr. STALEY. Mr. Chairman, I wish to express the appreciation of our organization for this opportunity to present its views before this committee.

I have just come from the grassroots where the National Farmers Organization has been holding a large number of county meetings. Mr. Chairman, as you know, the folks out there speak pretty bluntly. With your permission I will do the same.

Senator HUMPHREY. May I ask a question or two. What is the scope of your organization?

Mr. STALEY. We have about 200,000 members now in 13 States, the largest in Missouri, Iowa, Kansas, Nebraska, and quite a few counties, 17 counties in Illinois.

Senator HUMPHREY. And what type of producers do you essentially represent?

Mr. STALEY. Diversified farmers.

Senator HUMPHREY. Quite a few corn producers?

Mr. STALEY. That is right.

Senator HUMPHREY. And how long has your organization been operative?

Mr. STALEY. A year ago last summer.

Senator HUMPHREY. And you have over 200,000 members?

Mr. STALEY. Close to 200,000.

Senator HUMPHREY. That is very good.

Mr. STALEY. Thank you, sir.

The corn program has collapsed. The corn allotment is so tight it won't fit. The corn price support is so loose it won't stay up. The corn soil bank is so unstable it may be there one day and gone the next.

Unless the corn program is restored—and restored fairly soon—the breakdown in corn will be followed by another breakdown in livestock prices, and especially in hogs.

We are facing an uncertain year. We are uncertain about price. We are uncertain about hogs. We are uncertain about corn acreage and production.

There is urgent need for new corn legislation. There is urgent need to stabilize the price of corn at a higher level. If not, we are going to have corn at \$1 or less. Dollar corn will mean \$10 hogs.

The choices in the referendum on December 11 offered the farmers little choice. They cannot live with a 37.3 million acre allotment for corn with support prices at 77 percent of parity. On the other hand, the soil-bank base acreage program would have had a more crippling effect in the future, because it would take corn off the basic list, allowing the Secretary of Agriculture to set price supports on corn at any point from zero to 90 percent of parity, and would have ended the corn price-support program in 1959. These points are the reasons that the farmers did not vote for the soil-bank base acreage program, and the small vote, in our opinion, was because the farmers realized they could not live with either proposal and that this was a way of expressing their dissatisfaction with the entire program.

There is urgent need for greater incentives to be written into the corn program. The program will be as good as the compliance with it. There is urgent need to recognize the importance of bringing the whole feed-grain picture into balance.

It will be necessary to extend the March 8 signup date on the corn soil-bank agreement.

Senator HUMPHREY. Were you here this morning when Mr. McLain testified?

Mr. STALEY. Yes, sir.

Senator HUMPHREY. Did you get the impression from his comments in reply to my questions that the date would be extended?

Mr. STALEY. It was my impression that the date would not be extended, but that would be left open in this way, if I interpret what he said, that the date would not be extended, that the March 8 date would stand, but if new corn legislation was presented, that then at that time there would be a reopening of the program.

Senator HUMPHREY. That is correct.

Mr. STALEY. Now, what we are fearful of, as I state here next, is going to happen, is that in many areas, and particularly in the drought areas where the heavy signup is taking place, those farmers who signed the soil-bank agreement with one purpose and one hope, that they are going to get the 51 million-acre allotment, or at least a considerable increase, but at least they have insurance, and with an extension of the date until Friday, many of those will take their soil-bank agreements out. And that certainly isn't a true picture of how many farmers are going to be in the soil bank next year.

You know that that is particularly what is happening in the areas that have been in, that they have signed up, and it would be hard to estimate the number, but a large percentage of the farmers have signed up the soil-bank agreement, thinking that there would be new corn legislation, and, of course, they start out with first come first served, and so everybody went in with a purpose.

Senator HICKENLOOPER. Why would they necessarily cancel after the 8th of March?

Mr. STALEY. Because, Senator, there are 37.3 million acres, they will not participate in the program, taking 15 percent off of that.

Senator HICKENLOOPER. If a man would change his mind by planting time—

Mr. STALEY. No, if they are not taken out by March 8, then the report is made to the ASC office, and what they have down there becomes legal, and they cannot take it out unless that date is extended, or some provision made for that purpose.

So I think it is very important that the Secretary be encouraged—

Senator HICKENLOOPER. If they failed to keep their contract, they couldn't come under the program.

Mr. STALEY. They come under the penalty provision then.

Senator HUMPHREY. Have you transmitted your views, the views of your organization, to the Department?

Mr. STALEY. We have not. We will, tomorrow.

Senator HUMPHREY. Would you do that? I would appreciate it if those organizations that are concerned with this March 8 date would make their views known by telegram or letter to the Secretary.

Mr. STALEY. We will take them over to the Department tomorrow.

Senator HUMPHREY. I would like to have you make this in formal writing, message, or telegram, and send us a copy, because I am concerned about it. Somebody spoke to me about the very thing you are talking about now. If they sign up, then that is a contract.

Mr. STALEY. That is a contract. After March 8 it becomes a legal contract unless something is done to either extend it or make it so that they can at least withdraw from the soil-bank agreements.

Senator HUMPHREY. Yes.

Senator HICKENLOOPER. As I understand it, Mr. Staley, it is your theory that, if any farmers signed up hoping that it would be opened up to the 51 million acres, and those farmers do have that in mind,

that they were taking a chance that it would be opened up to 51 million acres, they would pull out of the program rather than actually stay in?

Mr. STALEY. That is correct. And therefore we are not going to have any compliance in the program unless——

Senator HICKENLOOPER. I don't think you would have any compliance with 37 million acres.

Senator HUMPHREY. Mr. Weise, what is it?

Mr. WEISE. In that connection I talked with home last night, and the latest figure that I have is that 110 contracts were signed up to Saturday night in Hamilton County. And most of these contracts are owners—I want to get the significance of this thing—and that is this: That we have 2,460 parcels of ground under the PMA contracts, and 1 man could only have 2 or 3 of these and still be classified as a farmer.

Actually we only have 2,118 farmers in Hamilton County; there is a little difference there. The owner can go to work and put 20 acres in a soil bank, let's say. Now, he is going to put 20 acres in a soil bank of this corn allotment—that was what he signed up for—but he is going to go in here and he is going to plant all the grain sorghum he can plant.

He isn't going to sow any oats or grass seed there, or nothing; all you do there is substitute grain sorghum for corn. What is the matter with corn? You might as well plant that.

Senator HUMPHREY. Go ahead.

Mr. STALEY. Farmers in many areas have signed their soil-bank agreements based on the hope that there will be a readjustment in the allotted acreage program to at least 51 million acres. It will be impossible, as we all realize, to enact legislation before the March 8 deadline.

Therefore, unless the date is extended many farmers will withdraw their agreements. Their plans will then be readjusted to increase corn acreage, as well as feed-grain acreage, and thus will implement a cheap feed-grain policy that will, in the near future, cause lower and lower livestock prices. If there is to be compliance in the corn program this year, we must have corn legislation as soon as possible. And we realize that you are doing everything possible to do that.

We are opposed to any proposal that will take corn off the basic list and give the Secretary of Agriculture the discretion to set supports in the future at any point from zero to 90 percent of parity.

Legislation designed to give the farmer the choice between the allotted acreage proposal of the soil bank base acreage program, as voted on in the December 11 referendum will, in our opinion, be the first step toward a cheap feed grain policy by taking corn off the basic list and giving this discretionary power to set price supports by the Secretary of Agriculture.

We are also opposed to any legislation that does not keep the corn program intact. Legislation that ends in 1959 is the beginning of the end of corn price support programs. This we very strenuously oppose. The incentive to participate in any corn program will be the realized net income the farmer will receive for participation.

The National Farmers Organization would like to recommend an alternative approach. It is a parity and insurance program for corn, or any of the basic crops that might want to use it.

Senator HUMPHREY. That is your program in this brochure?

Mr. STALEY. That is right.

Senator HUMPHREY. Do you mind if we have that printed in toto as a part of your prepared testimony?

Mr. STALEY. Very well.

Senator HUMPHREY. The entire document will be printed, and all pertinent facts thereon.

(The document entitled "A Farm Plan Proposed by the National Farmers Organization" is as follows:)

NFO NEWS RELEASE

CORNING, IOWA.—A new farm plan embodying a system of crop insurance and a reduction in Government cash outlays was announced today by the National Farmers Organization.

The proposal, developed by NFO officials, calls for a 51 million acre basic crop base, with a 15 percent acreage participation in a soil bank as an eligibility requirement for price supports.

Unlike the present soil-bank program, the banked acres would receive no payments, thereby saving the millions of dollars appropriated for soil-bank payments this coming year.

PRICE SUPPORTS AT 100 PERCENT OF PARITY

Instead, price supports would be set at 100 percent of parity. In addition, a system of crop insurance would be inaugurated for basic crops, with losses to be paid in kind from surplus stocks held by the Government in the Commodity Credit Corporation.

Livestock gluts would be avoided by a system of incentive payments established to encourage marketing at light weights and to promote an even flow of livestock to the markets.

Commenting on the program, National NFO President Oren Lee Staley said "we are confident that this plan will raise farmers' income and at the same time avoid huge Government cash outlays."

The NFO will present its new farm plan to the Senate and House Agricultural Committees in Washington next week.

The NFO firmly believes that farmers should have 100 percent of parity prices. We also feel it is our duty to our members and to Congress to support a program that has some chance of passage in this session of Congress.

NFO PRESENTS STAND ON SOIL BANK

Although the NFO has recognized the potential value of a soil bank we have been reluctant to give our support to previous versions for the following reasons:

1. We doubt the wisdom of relying on large appropriations from the budget at a time of great general prosperity.
2. We question whether Congress will make available enough funds to make any presently proposed soil-bank plan effective.
3. If such funds are made available, it encourages absentee landlords to put their farms in the soil bank and dispossess their tenants, thus creating a class of displaced persons.
4. We doubt farmers will comply under the proposed support level of 70 to 75 percent of parity.

THE PROPOSALS OF THE NFO

The NFO therefore proposes:

1. We recommend adoption of a 51 million base acreage.
2. Fifteen percent to be put in soil bank to qualify for supports.
3. No soil-bank payments.
4. One hundred percent of parity supports for participating farmers.
5. An insurance covering basic crops, insuring the average yield set up under the Soil Bank Act of 1956 on the total planted acreage within the allotments of participating farms. Losses under this insurance to be paid in kind from surplus stocks held by Commodity Credit Corporation.
6. We recommend this program for corn and believe it equally practical for other basic crops.

7. In our estimation, a very dangerous situation is developing in the swine industry due to better hog prices, together with the trend toward cheap feed grains. We believe it of the utmost importance that this Congress enact legislation supporting livestock prices. These supports, if established, to be used to put emphasis on marketing at light weights to reduce expected surpluses and with seasonal variations to encourage a more even flow of livestock to market.

HIGHER PRICE SUPPORTS PREFERRED

It will be noted, higher price supports are asked in preference to soil-bank payments. This higher level of supports will result in more income to farmers than 75-percent supports plus soil-bank payments.

But most important is the insurance provision which would alleviate much of the distress caused by natural disaster, such as drought, flood, and hail, and would make the ever-normal granary a reality.

THE NFO CORN PLAN IN FIGURES

Using information from official sources, the National Farmers Organization has prepared the following statistical outline of its proposed parity and insurance program for corn to illustrate how the plan would work.

	<i>Acres</i>
1. Acreage planted in 1957 commercial corn area last year-----	56,877,000
2. Set a new corn acreage allotment of-----	51,000,000
Difference-----	5,877,000
3. Reduce 15 percent below 51,000,000 acre corn allotment, with a guaranty of parity (\$1.80 per bushel) price support-----	7,650,000
Total statistical reduction-----	13,527,000
4. Estimate of actual compliance is 70 to 75 percent----- (44 percent of growers were in compliance in 1956. NFO estimates program will attract at least half of the remaining 56 percent into the program.)	9,500,000
	<i>Bushels</i>
5. Assumed 1956 plantings within commercial area (3 minus 4)-----	47,377,000
6. Multiplied by 5-year average yield per planted acre for com- mercial area of 46.2 bushels-----	2,190,000,000
7. Plus average crop outside commercial area-----	600,000,000
Total 1957 crop-----	2,790,000,000
8. Annual corn requirements-----	3,100,000,000
9. Estimated reduction first year-----	310,000,000
10. Average yearly excess of other feed grains for last 3 years in corn equivalent-----	256,300,000
11. Value of commercial area crop at parity prices (2,190,000,000 bushels times \$1.80)-----	\$3,942,000,000
12. Value of poorly controlled 1956 commercial corn area crop at United States average prices to date (2,865,000,000 bushels times \$1.22)-----	3,495,000,000
Plus 1956 corn soil bank payments-----	179,000,000
Total-----	3,647,000,000

(NOTE: 1956 production was the second largest on record. Average farm price in another year of poorly managed program would be closer to \$1 per bushel than \$1.22. Livestock prices also would go lower.)

	<i>Bushels</i>
13. Corn carryover next October is estimated at----- A portion of the surplus would become an insurance reserve to be used to guarantee average yields to partic- ipating farmers.	1,450,000,000
14. Yields in the commercial corn area have been below the 5-year average in 3 of the last 5 years. Bushels required from the insurance reserve to compensate for below average yields in these 3 years-----	334,431,600

15. Conclusions:

- (a) With 70 percent of corn farmers participating, this plan would bring feed grain production into balance in 1 year.
- (b) With help in reducing feed grain acreage from wheat and cotton, the feed grain surplus could be reduced rapidly.
- (c) Income from corn would be increased.
- (d) The assurance of average yields would give greater stability to corn farming.
- (e) Cost to the taxpayers would be less than the present soil bank.

Senator HUMPHREY. Now, if you have any oral description that you want to give, or any additions you want to make, proceed.

Mr. STALEY. I will make it very short and to the point, Senator, and that is this:

That we believe that past programs have largely failed because of lack of compliance of many types. And we believe that, of course, the 51 million base acreage at the present time is approximately the point that we should establish our allotted acreage on.

We believe that it will be necessary to include the 15 percent to be put in the soil bank to qualify for supports.

Now, in exchange for this, we have offered this recommendation, and that is, in our plan, that in exchange for the soil-bank payments—and we know this is happening in some areas—that the tenant is being taken off the land because the landlord is putting part of his soil-bank base acreage into the soil bank, then doing something with the rest of his land in many areas; and we believe that if supports were raised to 100 percent of parity on corn in exchange for the soil-bank payments that would greatly increase farm income in the corn area, that, at the same time, it would reduce the Government expenditure of the soil-bank payments, and we include in this a parity insurance program, and that is we are looking for more stability, and I am sure you all are, in the agricultural picture, and that is we have Mother Nature, and that is something we always have to come back to, and that is we have to take an average yield on the farm.

If corn is properly planted and properly tended, but because of drought and other things that happens with Mother Nature we do not produce the acreage yield, that the farmer could receive a payment in kind from Commodity Credit stocks, that this would reduce the corn that we have in Commodity Credit stocks, and that the big point that we feel in this, Senator, is this:

That last year only about 46 percent of the farmers complied with close to 57 million acres of corn planted; that if you could get more participation, reducing the acreage allotments to 51 million, that if half of those people, the farmers that did not comply last year, would comply, then an overall reduction would be close to 8 million or 9 million acres of corn.

This comparison, as we have here on the back, I am certain, is self-explanatory—how many dollars we feel it would increase farm income and how many bushels of corn in the last 3 years. We have taken 334 million bushels of corn out of CCC stocks, and this would help get feed grains in balance, as well as the corn balance.

We feel that as an overall program that we would like to have you give it your consideration.

Senator HUMPHREY. Your theory is that the high support level, the full parity level of support, would be the maximum amount of incentive for compliance, and that for those who complied, there would be compulsory participation in the soil bank to get this high support?

Mr. STALEY. That is right.

Senator HUMPHREY. But you would get no payment for going to the bank, except that you get the payment of \$1.80 a bushel on what you produced?

Mr. STALEY. And the parity insurance program that would take care of your drought and other areas.

Senator HUMPHREY. Would you use the present carryover as a sort of insurance reserve?

Mr. STALEY. That is right; use the present carryover as an insurance reserve.

Senator HICKENLOOPER. Would this apply to the noncommercial corn areas as well as to the commercial?

Mr. STALEY. That is a problem that we know we are all facing, is the noncommercial corn area in the feed grain picture. We have this set up just for the commercial corn area.

Senator HICKENLOOPER. But suppose you set this up just for the commercial corn area, what would happen in the noncommercial corn area, let's say, on feed grains, other feed grains, and what would happen with the noncompliance in their explanation of their operations in corn as well as other feed grains?

Mr. STALEY. Now, there is the problem that I think we brought out in your testimony; it is a problem of the overall feed grain supply that we are going to have to face, and the same problem would be faced under this program, as any other program, in the noncommercial corn area and the feed grains.

What we think would happen is that with your greater compliance and your 15 percent that would be necessary for you to put in the soil bank in order to achieve price supports, that that would largely take care of your feed grain in your commercial corn area.

Of course, we have these other problems that we feel that if it were applied to the other, to the other commodities, that this program could be extended likewise to the other commodities as well as to corn, that in the end it would take care of the wheat area, the cotton area, and the other areas also.

Senator HICKENLOOPER. The 15 percent, would that come out of the base?

Mr. STALEY. It would come out of the base; that is correct.

Senator HICKENLOOPER. So that if a farmer had a base of 100 acres of corn, he would plant only 85?

Mr. STALEY. That is right, sir.

Senator HICKENLOOPER. In other words, this does not contemplate putting 15 percent of the tillable acres of the farm in?

Mr. STALEY. That is right.

Senator HUMPHREY. The bill that I put in provided a 51 million allotment. Let's say the farmer would have 100 acres as his allotment. In order for him to get the \$1.50 a bushel support loan, he would have to put 15 acres—15 percent of that basic acreage in corn into the soil bank—but he would receive payment on those 15 acres.

Mr. STALEY. That is right. I understand that. And it ties in very closely with our resolutions, and one of the previous witnesses that brought out the fact that the variations between farms to the acreage that they have as well as soil-bank payments are largely due to one thing, and that is crop history, and that is one thing that we have been

tending to do in our resolution, good land use instead of crop history, which would largely be what you are saying in that proposal.

Senator HUMPHREY. Well, thank you very much, Mr. Staley.

I want to thank you for your patience and cooperative attitude. You have been very helpful.

And I believe this concludes the testimony for today. And I don't believe we have any other witnesses scheduled.

We will recess the hearing.

(Whereupon, at 6:10 p. m., the hearing was adjourned.)

(Additional statements filed for the record are as follows:)

STATEMENT FILED BY JOSEPH O. PARKER, LEGISLATIVE CONSULTANT,
NATIONAL GRANGE

The National Grange appreciates the opportunity of presenting its views on S. 1013 and similar bills which would make alterations in the farm program with respect to corn. There is a need for some helpful action in connection with the corn program if our objective is to obtain a reduction in corn acreage and some degree of price stability. The problem, in our opinion, is broader than corn alone, and we cannot hope to cope with the feed-supply situation or to alleviate conditions affecting feed and livestock production without giving consideration to the entire feed-grain program.

Farmers are not enthusiastic about the 1957 corn program as it now stands. From the standpoint of the individual corn producer, and from the standpoint of farm income and the national economy, a reduction in corn acreage in the commercial corn area from 53 million to 37 million acres in 1 year is too severe to be acceptable. Obviously, there will be little, if any, compliance with allotments or participation in the soil bank under these controls.

Since the authorization of the soil-bank program last year, the hope was expressed in many quarters that it would become an effective tool for substantial adjustment in the production of corn and other crops. In the Grange we seriously doubt whether the soil bank, as it has been devised and implemented, will bring about any substantial reduction in the harvest of corn. Similarly, we doubt whether the program will contribute materially to a reduction in Government-held stocks of other farm commodities, or to any major improvement in the farm-income situation.

BASIC CHANGES NEEDED

Probably it is already too late to try to draft and gain enactment this year of a program with a better chance for successful attainment of beneficial production adjustment and increased farm income. Basic changes are necessary in the farm program if we are ever going to get peacetime production adjustment, wise land use, expanded markets, and a more equitable return to producers for farm commodities. We recognize, as a practical matter, that considerable educational work is going to be necessary in many places before the needed changes can be accomplished.

Under the circumstances, it may be essential to buy time and hold the line as well as possible against overproduction and inadequate income while the important preparatory work is carried on for a more effective approach to some of our agricultural problems.

With certain modifications, we believe some temporary legislation would be a help in the present dilemma.

A BAD BARGAIN

The Grange view, however, is that the present corn proposals are efforts to make the best of a bad bargain.

On this basis, and as a temporary expedient, we would agree to establishing again, for 1957, a corn base acreage of 51 million acres, and price support to cooperators at a level not less than 75 percent of parity, if provision is made to obtain an adjustment in corn acreage.

We believe, therefore, that it would be desirable to require that a farmer, to be eligible for price support or soil-bank payments under this program, reduce his corn planting by 15 percent below his base allotment for corn. This is essentially the program which the Congress provided last year and the one which

received the approval of about 61 percent of the farmers voting in the recent corn-program referendum. Many different reasons have been assigned for the vote of the farmer, but many farmers undoubtedly voted against the program—or decided against voting at all—because of the provision which would have placed, thereafter, the level of price support solely at the discretion of the Secretary of Agriculture.

The referendum was one way for corn farmers to manifest their dissatisfaction and to indicate the need for a better program.

As we have already indicated, we have no confidence that enactment of these recommendations would provide any satisfactory or lasting solution to the problems plaguing corn growers. Perhaps the best thing that can be said about them is that they would give us something better than now exists with the 37 million acre corn allotment, and that they are to be preferred to the scramble which will prevail if we have no effective corn program at all.

Part of our concern about present efforts to bail out the corn program arises from the conviction that the present proposal being unrelated to the total feed problem offers no hope of a real solution. It is merely another temporary or emergency approach to meet a crisis arising because of fundamental shortcomings in our so-called agricultural program. The present scramble to patch together some kind of a temporary corn program demonstrates the need for basic and fundamental changes in our farm program. It is the hope of the Grange that the committee will soon hold hearings to discuss the needed changes which should be made if we are to achieve a program to relieve distressed conditions and to improve farm income.

STATEMENT FILED BY ROBERT W. ROGERS, CHAIRMAN, FARM POLICY SUBCOMMITTEE, ILLINOIS STATE CHAMBER OF COMMERCE, CHICAGO, ILL.

My name is Robert W. Rogers. I am vice president of the Harris Trust & Savings Bank, Chicago, Ill., and chairman of the farm policy subcommittee of the agriculture-business relations committee of the Illinois State Chamber of Commerce.

This statement is presented on behalf of the Illinois State Chamber of Commerce and the views expressed herein represent the farm policy of that organization.

The Illinois State Chamber of Commerce is a statewide business organization. It has a membership of over 14,000 businessmen from all sections of Illinois representing every size and type of business.

The agriculture-business relations committee is a 90-man group of leading Illinois businessmen and farmers who concern themselves with many problems of mutual interest to farmers and their urban neighbors.

This committee has worked for 14 years in Illinois to assist in the formation of local agriculture-business committees in every county of the State. By means of this and other programs we have helped to establish a better understanding between the rural and urban businessmen in our State. We have, also, through the years maintained a close relationship between our State and local agriculture leaders and ourselves. By frequent counseling with them we have come to know and understand their views and problems on important agricultural matters.

Because the economy of Illinois and the well-being of her citizens depend to such a great extent on the strength of agriculture in that State as well as throughout the United States, it is understandable that the Illinois State Chamber of Commerce should be interested in the development of a sound Federal farm program.

Today I will concentrate on one phase of the farm problem which is a matter of serious concern to farmers of Illinois and other Midwestern States—the Federal corn program. This program has been the subject of many hours of study and deliberation by members of the Illinois State Chamber's agriculture-business relations committee, board of directors, and staff.

In brief, we urge Congress to move quickly to enact a sound 51 million base acreage program for corn for the duration of the soil bank. Specific features of the corn program we feel are necessary are the following:

In 1957, 1958, and 1959

1. A 51 million acre base.
2. Price supports in commercial corn areas at discretionary levels and at 82½ percent of that level in the noncommercial corn area.

3. Eligibility for price supports would require participation in the soil bank equaling at least 15 percent of base acreage.

And in subsequent years

1. No acreage limitations.
2. Discretionary basis for determining price supports on corn.
3. No distinction in supports between commercial and noncommercial corn-growing areas.

The present program is inoperative because the national allotment of 37.3 million acres for corn is so small that farmers will not abide by their individual allotments. Also, there will be little participation in the soil bank by corn-growers because those who do not comply with their allotments are ineligible to take part. The corn base acreage program would make it possible for Corn Belt farmers to participate in the soil-bank program and have the benefits of a price support program of which they would otherwise be deprived.

Almost 81 percent of the Illinois farmers and 61.5 percent of all farmers who voted in a referendum on the question last December 11 favored the program. Unfortunately, a favorable vote by two-thirds of those voting was required to put the program into effect. Farmers in only 4 States (Minnesota, Missouri, North Dakota, and South Dakota) out of 24 States voting on the proposal disapproved of the plan. Clearly, a large majority of American farmers favor the corn base acreage program.

The recommendation for a corn base acreage program is in keeping with Illinois State Chamber of Commerce objectives in this field of less government regulation of agriculture and reducing farm production by use of the soil bank. It is a step toward a semblance of a free market economy for agriculture. In order to be effective during the 1957 crop year, however, this program must be enacted by Congress within the next few weeks.

This program would have desirable short-range and long-range effects for all American agriculture. The following benefits are among those which would accrue:

1. The higher base would insure wide participation in the soil bank by corn growers. Since corn surpluses have grown so tremendously in the past few years, it is extremely important that corn producers take part in the soil bank to the fullest extent possible. If they disregard their acreage allotments, they also will be ineligible to participate in the soil bank with any other commodity they grow. This ineligibility therefore would have serious repercussions for other commodities currently in surplus supply.

2. This program insures that some cropland will be retired from production: the existing allotment program simply provides that the land must not be used for growing corn. Historically, we know that this acreage taken out of production by allotments has been diverted to other crops, largely feed grains which compete for the same market as corn.

3. By giving the Secretary of Agriculture discretionary powers in setting price supports on corn, a less rigid approach to setting prices would result. Prices could be established at levels which would move commodities into consumption without dependence on the inflexible influence of rigid support schedules.

4. For the duration of the soil bank, corn growers would be given the benefit of a minimum allotment now enjoyed by other basic crops—cotton, rice, peanuts, and wheat. When the soil bank expires and supplies are brought more nearly in line with demand, the problem of diverted acreages would be minimized. Farmers would then return to growing crops most suited to their farms. The rapid growth of the commercial corn area under the allotment program is an indication of the disrupting effect on sound farming practice caused by Government efforts to control farm production.

5. The proposed program represents a two-stage effort toward making the Federal Government a less dominant factor in farming and returning agriculture to a free market economy. We firmly believe that the emphasis of the farm program of the Federal Government should be shifted in this direction. The programs of other basic commodities should also be shifted gradually toward less domination of their markets by the Federal Government. As the desirability of such a program becomes clear, we believe that farmers growing other crops will recognize its merits and move for its adoption to their commodities.

In closing, I urge you on behalf of the Illinois State chamber to act quickly to provide a sound base acreage program for a large segment of American farmers who grow the Nation's most valuable crop. While we realize that this is only one step needed to be taken in providing a sound solution to our overall farm problem, we believe it is of sufficient importance to single it out at this time and urge your prompt attention to it. We hope to have the opportunity to appear again before you in the near future to discuss our position on basic changes we feel are necessary in our Federal farm legislation and philosophy.

On behalf of the Illinois State Chamber of Commerce and myself, I wish to express our sincere appreciation to you for this opportunity to appear before you and present the views of that organization on one phase of the very serious problems facing our farm economy today.

Thank you.

X

LEGISLATIVE HISTORY

CORN BILLS
REJECTED

H. R. 4901 -- S. 1771

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INDEX AND SUMMARY OF H. R. 4901 and S. 1771

- Jan. 14, 1957 H. R. 2872 was introduced by Rep. Jennings and referred to House Committee on Agriculture. Print of bill.
- Jan. 16, 1957 H. R. 3011 was introduced by Rep. Andresen and referred to House Committee on Agriculture. Print of bill.
- Jan. 22, 1957 H. R. 3387 was introduced by Rep. Harvey and referred to House Committee on Agriculture. Print of bill.
- Jan. 23, 1957 H. R. 3534 was introduced by Rep. O'Hara, Minn., and referred to H. Committee on Agriculture. Print of bill.
- Jan. 25, 1957 S. 829 was introduced by Sen. Dirksen and referred to Senate Agriculture and Forestry Committee. Print of bill.
- Jan. 28, 1957 H. R. 3728 was introduced by Rep. Andersen and referred to House Committee on Agriculture. Print of bill.
- Jan. 29, 1957 H. R. 3935 was introduced by Rep. Arends and H. R. 3987 by Rep. McGovern and referred to House Committee on Agriculture. Print of bills.
- Jan. 30, 1957 H. R. 4105 was introduced by Rep. Hoeven and H. R. 4108 by Rep. Jensen and referred to House Committee on Agriculture. Print of bills.
- Feb. 1, 1957 S. 1013 was introduced by Sen. Ellender and S. 1014 by Sen. Case, So. Dak., and referred to Senate Agriculture and Forestry Committee. Print of bills.
- Feb. 7, 1957 S. 1076 was introduced by Sen. Mundt, S. 1125 by Sen. Hickenlooper, et al, and H. R. 4555 by Rep. Harrison, Nebr. and referred to Senate Agriculture and Forestry Committee and House Committee on Agriculture. Print of bills as introduced. H. R. 4589 by Rep. Polk.
- Feb. 18, 1957 H. R. 4901 was introduced by Rep. Cooley, H. R. 4922 by Rep. Jennings and H. R. 4940 by Rep. Poage and were referred to House Committee on Agriculture. Print of bills.
- Feb. 19, 1957 House committee ordered H. R. 4901 reported with amendment.
- Feb. 21, 1957 House committee reported H. R. 4901 with amendment. H. Report No. 151. Print of bill and report. Several Reps. discussed the bill.
- Feb. 22, 1957 S. 1345 was introduced by Sen. Curtis and referred to Senate Agriculture and Forestry Committee. Print of bill.

Feb. 25, 1957 Summary of H. R. 4901 as reported by House Committee. S. 1362 was introduced by Sens. Humphrey and Symington and referred to Senate Agriculture and Forestry Committee. Print of bill.

Feb. 28, 1957 H. R. 5447 was introduced by Rep. Andresen and referred to House Committee on Agriculture. Print of bill.

Mar. 1, 1957 Rules Committee reported resolution for consideration of H. R. 4901. H. Res. 181, H. Rept. No. 177. Print of resolution and report.

Mar. 2, 1957 S. 1149 was introduced by Sens. Thye, Capehart and was referred to Senate Agriculture and Forestry Committee. Print of bill.

Mar. 5, 1957 H. R. 5600 was introduced by Rep. Harrison, Nebr. and referred to House Committee on Agriculture. Print of bill.

Mar. 6, 1957 House began debate on H. R. 4901.

Mar. 7, 1957 House continued debate on H. R. 4901.

Mar. 11, 1957 H. R. 4901 made order of business.

Mar. 13, 1957 House rejected H. R. 4901. Print of bill as failed of passage.

Mar. 14, 1957 Representatives discussed defeat of H. R. 4901.

Mar. 18, 1957 Senators discussed corn legislation. Speech in the House by Rep. Hoeven.

Mar. 21, 1957 Remarks of Reps. Coad and Harrison, Nebr.

Mar. 25, 1957 Senate committee ordered an original bill reported.

Mar. 28, 1957 Rep. Schwengel criticized delay in corn legislation.

Mar. 29, 1957 Sen. Humphrey criticized USDA delay in reporting on corn bill.

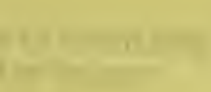
Apr. 1, 1957 Senate committee reported S. 1771 without amendment. S. Report No. 198. Print of bill and report.

Apr. 8, 1957 Senate made S. 1771 its unfinished business.

Apr. 9, 1957 Senate began debate on S. 1771.

Apr. 10, 1957 Senate rejected S. 1771.

Hearings: S. Agriculture and Forestry on S. 829, etc. 3/4/57.
H. Agriculture, Misc. Serial C, Jan. 30, 31, Feb. 1, 4, 5, 6, 7 and 8, 1957.



H. R. 2872

IN SENATE, JANUARY 15, 1903.

REPORT

OF THE

A BILL

TO

FOR

THE

H. R. 2872

IN THE HOUSE OF REPRESENTATIVES

JANUARY 14, 1957

Mr. JENNINGS introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the Soil Bank Act so as to permit wheat and corn producers outside the commercial areas to participate in the acreage reserve.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That subsection (a) of section 103 of the Soil Bank Act is
4 amended by striking therefrom the third sentence (relating
5 to the 1956 program) and inserting in lieu thereof: "In
6 addition to the foregoing, the Secretary is authorized and
7 directed to formulate and carry out an acreage reserve pro-
8 gram for wheat and corn outside the commercial wheat- and
9 corn-producing areas, such program to be established under
10 such terms and conditions as he determines will give pro-
11 ducers of wheat and corn outside the commercial wheat-
12 and corn-producing areas a fair and equitable opportunity to
13 participate in the acreage reserve program."

A BILL

To amend the Soil Bank Act so as to permit wheat and corn producers outside the commercial areas to participate in the acreage reserve.

By Mr. JENNINGS

JANUARY 14, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 3011

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 1957

Mr. AUGUST H. ANDRESEN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for a minimum acreage allotment for corn, and other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for any calendar year be-
7 ginning with 1957 shall not be less than fifty-one million
8 acres."

9 SEC. 2. Price support shall be made available by Com-
10 modity Credit Corporation for the 1957 and subsequent
11 crops of corn at a level not less than 75 per centum of the

1 parity price theretofore, as provided in the Agricultural Act
2 of 1949, as amended.

3 SEC. 3. Section 408 (b) of the Agricultural Act of
4 1949, as amended, is amended by inserting after the first
5 sentence thereof the following: "For the purpose of price
6 support in the commercial corn-producing area for any
7 crop of corn for which an acreage reserve program is in
8 effect, a 'cooperator' shall be a producer who (1) devotes
9 an acreage of cropland (tilled in normal rotation), at the
10 option of the producer, to either the acreage reserve pro-
11 gram for corn or the conservation reserve program, equal
12 to 15 per centum of such producer's farm allotment for
13 corn, and (2) does not exceed the farm acreage allotment
14 for corn."

5TH CONGRESS
1ST SESSION

H. R. 3011

A BILL

To provide for a minimum acreage allotment
for corn, and other purposes.

By Mr. AUGUST H. ANDRESEN

JANUARY 16, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 3387

IN THE HOUSE OF REPRESENTATIVES

JANUARY 22, 1957

Mr. HARVEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for a minimum acreage allotment for corn, and other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for any calendar year be-
7 ginning with 1957 shall not be less than fifty-one million
8 acres."

9 SEC. 2. Price support shall be made available by Com-
10 modity Credit Corporation for the 1957 and subsequent
11 crops of corn at a level not less than 75 per centum of the

1 parity price therefor, as provided in the Agricultural Act
2 of 1949, as amended.

3 SEC. 3. Section 408 (b) of the Agricultural Act of
4 1949, as amended, is amended by inserting after the first
5 sentence thereof the following: "For the purpose of price
6 support in the commercial corn producing area for any
7 crop of corn for which an acreage reserve program is in
8 effect, a 'cooperator' shall be a producer who (1) devotes
9 an acreage of cropland (tilled in normal rotation), at the
10 option of the producer, to either the acreage reserve pro-
11 gram for corn or the conservation reserve program, equal
12 to 15 per centum of such producer's farm allotment for
13 corn, and (2) does not exceed the farm acreage allotment
14 for corn."

A BILL

To provide for a minimum acreage allotment
for corn, and other purposes.

By Mr. HARVEY

JANUARY 22, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 3534

IN THE HOUSE OF REPRESENTATIVES

JANUARY 23, 1957

Mr. O'HARA of Minnesota introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for a minimum acreage allotment for corn, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for any calendar year begin-
7 ning with 1957 shall not be less than fifty-one million acres."

8 SEC. 2. Price support shall be made available by Com-
9 modity Credit Corporation for the 1957 and subsequent crops
10 of corn at a level not less than 75 per centum of the parity

1 price therefor, as provided in the Agricultural Act of 1949,
2 as amended.

3 SEC. 3. Section 408 (b) of the Agricultural Act of 1949,
4 as amended, is amended by inserting after the first sentence
5 thereof the following: "For the purpose of price support in
6 the commercial corn-producing area for any crop of corn for
7 which an acreage reserve program is in effect, a 'cooperator'
8 shall be a producer who (1) devotes an acreage of cropland
9 (tilled in normal rotation), at the option of the producer, to
10 either the acreage reserve program for corn or the conserva-
11 tion reserve program, equal to 15 per centum of such
12 producer's farm allotment for corn, and (2) does not exceed
13 the farm acreage allotment for corn."

A BILL

To provide for a minimum acreage allotment
for corn, and for other purposes.

By Mr. O'HARA of Minnesota

JANUARY 23, 1967

Referred to the Committee on Agriculture

S. 829

OF THE HOUSE OF REPRESENTATIVES

IN SENATE

AND IN HOUSE OF REPRESENTATIVES

A BILL

TO

FOR

THE

OF

85TH CONGRESS
1ST SESSION

S. 829

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 1957

Mr. DIRKSEN introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To provide for corn base acreages, and other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law—

4 (1) base acreages (based on a total base acreage
5 for the commercial area of fifty-one million acres) shall
6 be established as provided in section 103 (b) (1) of
7 the Agricultural Act of 1956 for 1957 and for each
8 subsequent year for which an acreage reserve program
9 is in effect for corn; and

10 (2) no acreage allotments shall be in effect for the
11 1957 and subsequent crops of corn;

1 SEC. 2. Subject to subsections (a) and (d) of sec-
2 tion 308 of such Act, price support shall be made available
3 by Commodity Credit Corporation for the 1957 and subse-
4 quent crops of corn at such level as the Secretary deter-
5 mines will assist producers in marketing corn in the normal
6 channels of trade but not encourage the uneconomic pro-
7 duction of corn, and further with consideration of the factors
8 set forth in section 401 (b) of the Agricultural Act of 1949,
9 as amended.

A BILL

To provide for corn base acreages, and other purposes.

By Mr. DIRKSEN

JANUARY 25, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

H. R. 3728

OF THE HOUSE OF REPRESENTATIVES

IN SENATE

AND OF THE SENATE

A BILL

TO

1

2

85TH CONGRESS
1ST SESSION

H. R. 3728

IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 1957

Mr. H. CARL ANDERSEN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the acreage allotment and price support provisions for corn, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding to the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for any calendar year begin-
7 ning with 1957 shall not be less than fifty-one million
8 acres."

9 SEC. 2. Section 329 of the Agricultural Act of 1938,
10 as amended, is amended to read as follows:

11 "SEC. 329. The acreage allotment for corn shall be

1 apporportioned by the Secretary among the counties in the
2 commercial corn-producing area on the basis of the tillable
3 acreage in such counties. The acreage allotment to the
4 county for corn shall be apporportioned by the Secretary,
5 through the local committees, among the farms within the
6 county on the basis of the tillable acreage on such farms.
7 Not more than 3 per centum of the county allotment shall
8 be apporportioned to farms on which corn has not been planted
9 during any of the three years immediately preceding the
10 year for which the allotment is made.”

11 SEC. 3. Section 101 (d) of the Agricultural Act of
12 1949, as amended, is amended by adding at the end thereof
13 the following additional paragraph:

14 “(8) Price support made available for any crop of corn
15 (beginning with the 1957 crop) to cooperators on any
16 farm in the commercial corn-producing area shall be not
17 less than 90 per centum of the parity prices therefor on the
18 first four thousand bushels. This provision shall not affect
19 the level of price support made available to cooperators out-
20 side the commercial corn-producing area.”

21 SEC. 4. Section 408 (b) of the Agricultural Act of
22 1949, as amended, is amended by inserting after the first
23 sentence thereof the following: “For the purpose of price
24 support in the commercial corn-producing area for any crop
25 of corn for which an acreage reserve program is in effect, a

1 'cooperator' shall be a producer who (1) devotes an acre-
2 age of cropland (tilled in normal rotation), at the option
3 of the producer, to either the acreage reserve program for
4 corn or the conservation reserve program equal to 20 per
5 centum of such producer's farm allotment for corn, and (2)
6 does not exceed the farm acreage allotment for corn."

7 SEC. 5. Section 114 of the Agricultural Act of 1956 is
8 amended by deleting the words "under this title" and sub-
9 stituting therefor the words "under the acreage reserve
10 program".

A BILL

To amend the acreage allotment and price support provisions for corn, and for other purposes.

By Mr. H. CARL ANDERSEN

JANUARY 28, 1957

Referred to the Committee on Agriculture

REPORT
OF THE
COMMISSIONER
OF THE
GENERAL LAND OFFICE
H. R. 3935

IN THE HOUSE OF REPRESENTATIVES

January 1, 1881

BY JAMES C. HARRIS, OF CALIFORNIA, Chairman of the Committee on the Public Lands.

WASHINGTON:

A BILL

TO AMEND AN ACT TO PROVIDE FOR THE SURVEY OF THE PUBLIC LANDS.

85TH CONGRESS
1ST SESSION

H. R. 3935

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 1957

Mr. ARENDS introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for corn base acreages, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That notwithstanding any other provision of law—

4 (1) base acreages (based on a total base acreage
5 for the commercial area of fifty-one million acres) shall
6 be established as provided in section 103 (b) (1) of
7 the Agricultural Act of 1956 for 1957 and for each
8 subsequent year for which an acreage reserve program
9 is in effect for corn; and

10 (2) no acreage allotments shall be in effect for the
11 1957 and subsequent crops of corn.

1 SEC. 2. Subject to subsections (a) and (d) of section
2 308 of such Act, price support shall be made available by
3 Commodity Credit Corporation for the 1957 and subsequent
4 crops of corn at such level as the Secretary determines will
5 assist producers in marketing corn in the normal channels
6 of trade but not encourage the uneconomic production of
7 corn, and further with consideration of the factors set forth
8 in section 401 (b) of the Agricultural Act of 1949, as
9 amended.

A BILL

To provide for corn base acreages, and for
other purposes.

By Mr. ARENDS

JANUARY 29, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 3987

IN THE HOUSE OF REPRESENTATIVES

JANUARY 29, 1957

Mr. McGOVERN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for a minimum acreage allotment for corn, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for any calendar year be-
7 ginning with 1957 shall not be less than forty-nine million
8 acres."

9 SEC. 2. Price support shall be made available by Com-
10 modity Credit Corporation for the 1957 crop of corn at a

1 level not less than \$1.60 per bushel therefor, as provided in
2 the Agricultural Act of 1949, as amended.

3 SEC. 3. Section 408 (b) of the Agricultural Act of
4 1949, as amended, is amended by inserting after the first
5 sentence thereof the following: "For the purpose of price
6 support in the commercial corn producing area for any crop
7 of corn for which an acreage reserve program is in effect,
8 a 'cooperator' shall be a producer who does not exceed 85
9 per centum of such producer's farm acreage allotment for
10 corn; and (2) who devotes an acreage of cropland (tilled
11 in normal rotation), at the option of the producer, to either
12 the acreage reserve program for corn or the conservation
13 reserve program equal to 15 per centum of such producer's
14 farm allotment for corn."

15 SEC. 4. (a) Notwithstanding any provision of law, the
16 Secretary is authorized and directed to make payments to
17 producers of corn, wheat, cotton, rice, and peanuts who are
18 cooperators, as defined in section 408 of the Agricultural
19 Act of 1949, as amended, under the 1957 acreage allotment
20 programs applicable to such commodities. Such payments
21 shall be made on the normal production of the acreage
22 allotted under such programs in amounts which, when
23 added to the support prices established by the Secretary for
24 the 1957 crops of such commodities, will provide a return
25 to such producers which is as nearly equal to ninety per

1 centum of the parity price for such commodities as the funds
2 made available therefor will permit.

3 (b) Notwithstanding any other provision of law and
4 under such regulations as he deems necessary, the Secretary
5 is authorized for the marketing year April 1, 1957, to March
6 31, 1958, to make payments in connection with marketings
7 of milk and butterfat by dairy farmers at a rate not to exceed
8 that required to bring producers' returns per unit up to
9 amounts which, when added to the support prices established
10 by the Secretary for the 1957-1958 marketing year, is as
11 nearly equal to 90 per centum of the parity price therefor
12 as the funds made available will permit: *Provided*, That no
13 producer shall be eligible to receive such payments with
14 respect to a volume of sales in excess of 90 per centum of
15 his average sales in the marketing year ending March 31,
16 1957.

17 (c) Notwithstanding any other provision of law and
18 under such regulations as he deems necessary, the Secretary
19 is authorized to make payments with respect to the 1957
20 crop of feed grains (as defined in section 5 of this Act) to
21 producers of such feed grains who comply with acreage allot-
22 ments under section 5 at a rate not in excess of that necessary,
23 when added to the support prices established by the Secre-
24 tary for the 1957 crops of such commodities, to provide such
25 producers with a return on such feed grains, which is as

1 nearly equal to their feed value equivalent to corn at \$1.60
2 per bushel or 90 per centum of the parity price therefor,
3 whichever is higher, as the funds made available will permit.

4 (d) The payments authorized by this section shall be
5 in addition to and not in substitution for any other payments
6 authorized by law and shall be made as soon as possible after
7 determination of compliance under the 1957 acreage allot-
8 ment programs or other determination of eligibility for pay-
9 ment. The provisions of sections 385 and 388 of the Agri-
10 cultural Adjustment Act of 1938, as amended, shall apply in
11 all respects to payments made pursuant to this section. There
12 is hereby authorized to be appropriated such sums as Con-
13 gress may determine to be necessary for the purposes of
14 this section.

15 SEC. 5. For each year in which an acreage allotment
16 program will be in effect for corn, an acreage allotment shall
17 be established for other feed grains. For 1957, in the com-
18 mercial corn-producing area, such acreage allotment for
19 other feed grains shall be 85 per centum of the average acre-
20 age on the farm planted to grain sorghums, barley, rye, and
21 oats for the three years 1953, 1954, and 1955; and outside
22 the commercial corn-producing area, such acreage allotments
23 for feed grains shall be 85 per centum of the average acreage
24 of the farm planted to grain sorghums, barley, rye, oats, and
25 corn, for the three years 1953, 1954, and 1955. For 1958

1 and subsequent years in which an acreage reserve program
2 will be in effect for corn, there is hereby established an acre-
3 age allotment for feed grains (corn produced outside the
4 commercial corn-producing area, grain sorghums, barley, rye,
5 and oats). Such acreage allotment for feed grains shall be
6 85 per centum of the average acreage planted to such feed
7 grains for the three years 1953, 1954, and 1955 adjusted to
8 reflect change in the commercial corn-producing area. The
9 acreage allotment of feed grains shall be apportioned by the
10 Secretary among the States on the basis of the acreage of
11 feed grains (planted and diverted) in such States for the five
12 calendar years immediately preceding the calendar year in
13 which the apportionment is made, with adjustments for
14 abnormal weather conditions and for trends in acreage during
15 such period. The acreage allotment of feed grains for each
16 State, less a reserve of not to exceed 3 per centum thereof
17 for apportionment as provided by this subsection, shall be
18 apportioned by the Secretary among the counties on the basis
19 of the acreage of feed grains (planted and diverted) in such
20 counties for the five calendar years immediately preceding
21 the calendar year in which the apportionment is made, with
22 adjustments for abnormal weather conditions, for trends in
23 acreage during such period and for the promotion of soil-
24 conservation practices: *Provided*, That any downward adjust-

1 ment for the promotion of soil-conservation practices shall
2 not exceed 2 per centum of the average allotment that would
3 otherwise be apportioned to the county. The acreage allot-
4 ment for the county shall be apportioned by the Secretary
5 through the local committees, among the farms within the
6 county on the basis of past acreage of feed grains (planted
7 and diverted), tillable acreage, crop-rotation practices, type
8 of soil, and topography. The reserve set aside herein shall
9 be apportioned to farms on which feed grains have not been
10 planted for any of the crops for the three years immediately
11 preceding the year for which the apportionment is made
12 (such farms are hereinafter called "new feed grain farms").
13 Producers shall not be eligible for compensation under the
14 acreage reserve program for feed grains, on new feed grain
15 farms. For purposes of this subsection, and section 4 the
16 terms "plant" or "planted", as used with respect to feed
17 grains, other than corn, shall mean plant or planted for
18 harvest as grain.

19 SEC. 6. Section 103 (a) of the Soil Bank Act is amended
20 by inserting after the phrase "corn produced in the com-
21 mercial corn-producing area" the following: "corn produced
22 outside the commercial corn-producing area, oats, grain sor-
23 ghum, rye, barley, pasture and grazing land."

24 SEC. 7. (a) In order to assure the orderly marketing of
25 an adequate national supply of hogs and pork products, and

1 cattle and beef products, to encourage the increased domestic
2 consumption of pork, beef and pork and beef products, to
3 maintain the productive capacity of our hog and cattle farm-
4 ing industry, and to avoid the feeding of hogs and cattle to
5 less desirable weights, the Secretary of Agriculture is author-
6 ized and directed, whenever he finds (1) that the annual
7 pig crop for any year will exceed the average pig crop for
8 the ten preceding years, or the number of cattle on hand in
9 any year will exceed the average number of cattle on hand
10 for the preceding ten years, or (2) that the national aver-
11 age price received by farmers for hogs or cattle is less than
12 90 per centum of the parity price therefor, to make incentive
13 payments to hog and cattle producers to encourage the mar-
14 keting of hogs and cattle for slaughter at live weights of
15 two hundred pounds or less for hogs and nine hundred and
16 fifty pounds or less for cattle.

17 (b) The amounts of incentive payments under this Act
18 shall be established by the Secretary at such level, not less
19 than \$1 or more than \$3 per hundredweight, as he deter-
20 mines is necessary to carry out the purposes of this section,
21 except that (1) whenever the national average price re-
22 ceived by farmers for hogs or cattle in any month is less
23 than 85 per centum of the parity price for hogs or cattle,
24 respectively, the incentive payment for such month shall not
25 be less than \$2 per hundredweight, and (2) whenever such

1 average price for any month is less than 80 per centum of
2 such parity price, the incentive payment for such month
3 shall be \$3 per hundredweight. No producer shall be eligi-
4 ble to receive incentive payments under this section totaling
5 in excess of \$1,500 in any calendar year.

6 (c) The Secretary is authorized to use any funds of
7 the Commodity Credit Corporation, and any funds appro-
8 priated by section 32 of Public Law 320, Seventy-fourth
9 Congress (49 Stat. 774; 7 U. S. C. 612c), as amended,
10 in making the payments provided by this section.

11 (d) Every purchaser of hogs and cattle for slaughter
12 shall supply to the producer of such hogs or cattle a ticket,
13 in such form as may be prescribed by the Secretary, show-
14 ing the number of hogs sold in weight classes of two hun-
15 dred pounds or less, or cattle sold in weight classes of nine
16 hundred and fifty pounds or less, and the total weight of
17 the hogs or cattle sold. Such producer shall make applica-
18 tion for the payment of incentive benefits under this Act by
19 filing the ticket received by him from the buyer with the
20 county committee for his county appointed under section 8

21 (b) of the Soil Conservation and Domestic Allotment Act.

22 (e) Payments shall not be made under this section
23 after December 31, 1960.

24 SEC. 8. That the Soil Bank Act is further amended—

25 (a) by inserting after the second sentence of sec-

tion 103 (a) the following: "In addition to the foregoing, the Secretary is authorized and directed to formulate and carry out during the period ending June 30, 1960, an acreage reserve program for grazing lands under which farmers or ranchers will be compensated for reducing their acreage of grazing lands and making a corresponding reduction in numbers of livestock other than sheep below a representative period designated by the Secretary. Such program shall be formulated in such a manner as to make it possible, in conjunction with the conservation reserve program, to retire entire farming or ranching units from production. All the provisions of this title not inconsistent therewith shall apply to the grazing lands acreage reserve program."

(b) by amending the first sentence of section 105

(c) to read: "The total compensation paid producers for participating in the acreage reserve program with respect to any year's program shall not exceed \$800,000,000, and with respect to any commodity for any year shall not exceed the amount shown below: Wheat, \$375,000,000; cotton, \$300,000,000; corn in the commercial corn-producing area, \$300,000,000; peanuts, \$700,000,000; rice, \$23,000,000; tobacco, \$45,000,000; and grazing, \$60,000,000."

(c) by striking out the period at the end of para-

1 graph (a) (1) of section 107 and inserting: "or (where
2 an entire farming or ranching unit is retired from pro-
3 duction) the grazing of livestock."

4 SEC. 9. (a) Subsection 107 (a) (1) of the Soil Bank
5 Act is amended to read as follows: "To establish and main-
6 tain for the contract period protective vegetative cover (in-
7 cluding, but not limited to, grass and trees), water storage
8 facilities, or other soil-, water-, wildlife-, or forest-conserving
9 uses on a specifically designated acreage of land on the farm
10 regularly used 'as grazing land or pasture or' in the produc-
11 tion of crops (including crops, such as tame hay, alfalfa, and
12 clovers, which do not require annual tillage)."

13 (b) Section 107 of the Soil Bank Act is amended by
14 adding the following new subsection:

15 "(c) Notwithstanding any other provision of this Act,
16 the Secretary is authorized and directed to formulate and
17 and announce a program under this subtitle B for pasture and
18 hay lands and to enter into contracts thereunder with pro-
19 ducers which contracts may be for minimum terms of one
20 year, shall prohibit grazing of the contract acres except pur-
21 suant to the provisions of section 103 (a) hereof, and may
22 treat pastureland left idle as land established and maintained
23 in vegetative cover. The program formulated by the Secre-
24 tary shall permit placing entire farming units in the conser-
25 vation reserve program of the Soil Bank Act."

1 (c) Subsection 109 (c) of the Soil Bank Act is
2 amended to read as follows: "In carrying out the conserva-
3 tion reserve program, the Secretary shall not enter into con-
4 tracts with producers which would require payments to pro-
5 ducers, including the cost of materials and services, in excess
6 of \$500,000,000 in any calendar year."

7 SEC. 10. Notwithstanding any other provision of law,
8 corn planted for silage purposes shall not be considered as
9 corn for purposes of acreage allotments and the acreage re-
10 serve program.

11 SEC. 11. Eligibility of any producer under sections 2
12 and 4 of this Act shall be limited to proportioned parts of
13 total sales of all commodities, not to exceed in value, at the
14 parity price, of fourteen thousand bushels of corn or ten
15 thousand bushels of wheat, whichever is greater.

A BILL

To provide for a minimum acreage allotment
for corn, and for other purposes.

By Mr. McGovern

JANUARY 29, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 4105

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 1957

Mr. HOEVEN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for a minimum acreage allotment for corn, and other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for any calendar year begin-
7 ning with 1957 shall not be less than fifty-one million acres."

8 SEC. 2. Price support shall be made available by Com-
9 modity Credit Corporation for the 1957, 1958, and 1959
10 crops of corn at a level not less than 75 per centum of the

1 parity price therefor, as provided in the Agricultural Act of
2 1949, as amended.

3 SEC. 3. Section 408 (b) of the Agricultural Act of
4 1949, as amended, is amended by inserting after the first
5 sentence thereof the following: "For the purpose of price
6 support in the commercial corn-producing area for any crop
7 of corn for which an acreage reserve program is in effect, a
8 'cooperator' shall be a producer who (1) devotes an acreage
9 of cropland (tilled in normal rotation), at the option of the
10 producer, to either the acreage reserve program for corn or
11 the conservation reserve program, equal to 15 per centum of
12 such producer's farm allotment for corn, and (2) does not
13 exceed the farm acreage allotment for corn."

A BILL

To provide for a minimum acreage allotment
for corn, and other purposes.

By Mr. HOEVEN

JANUARY 30, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 4108

IN THE HOUSE OF REPRESENTATIVES

JANUARY 30, 1957

Mr. JENSEN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To amend the acreage allotment and price support provisions for corn, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding to the end thereof
5 the following:

6 “Notwithstanding any other provision hereof, the acre-
7 age allotment for corn for any calendar year beginning with
8 1957 shall not be less than fifty-one million acres.”

9 SEC. 2. Section 329 of the Agricultural Act of 1938, as
10 amended, is amended to read as follows:

11 “SEC. 329. The acreage allotment for corn shall be ap-

1 portioned by the Secretary among the counties in the com-
2 mercial corn-producing area on the basis of the tillable acre-
3 age in such counties. The acreage allotment to the county
4 for corn shall be apportioned by the Secretary, through the
5 local committees, among the farms within the county on
6 the basis of the tillable acreage on such farms. Not more
7 than 3 per centum of the county allotment shall be appor-
8 tioned to farms on which corn has not been planted during
9 any of the three years immediately preceding the year for
10 which the allotment is made.”

11 SEC. 3. Section 101 (d) of the Agricultural Act of
12 1949, as amended, is amended by adding at the end thereof
13 the following additional paragraph:

14 “(8) Price support made available for any crop of corn
15 (beginning with the 1957 crop) to cooperators on any farm
16 in the commercial corn-producing area shall be not less than
17 90 per centum of the parity price therefor on the first four
18 thousand bushels. This provision shall not affect the level
19 of price support made available to cooperators outside the
20 commercial corn-producing area.”

21 SEC. 4. Section 408 (b) of the Agricultural Act of
22 1949, as amended, is amended by inserting after the first
23 sentence thereof the following: “For the purpose of price
24 support in the commercial corn-producing area for any crop
25 of corn for which an acreage reserve program is in effect, a

1 'cooperator' shall be a producer who (1) devotes an acreage
2 of cropland (tilled in normal rotation), at the option of the
3 producer, to either the acreage reserve program for corn or
4 the conservation reserve program equal to 20 per centum of
5 such producer's farm allotment for corn, and (2) does not
6 exceed the farm acreage allotment for corn."

7 SEC. 5. Section 114 of the Agricultural Act of 1956 is
8 amended by deleting the words "under this title" and sub-
9 stituting therefor the words "under the acreage reserve
10 program."

A BILL

To amend the acreage allotment and price support provisions for corn, and for other purposes.

By Mr. JENSEN

JANUARY 30, 1957

Referred to the Committee on Agriculture

SENATE
S. 1013

IN THE SENATE OF THE UNITED STATES

February 2, 1906

REPORT
OF THE
COMMISSIONER OF THE GENERAL LAND OFFICE
IN RESPONSE TO A RESOLUTION PASSED BY THE SENATE

A BILL

TO PROVIDE FOR THE SURVEY AND SALE OF LANDS

INTRODUCED IN THE SENATE AND PASSED BY THE SENATE

February 2, 1906 (with amendments and corrections suggested by the

85TH CONGRESS
1ST SESSION

S. 1013

IN THE SENATE OF THE UNITED STATES

FEBRUARY 1, 1957

Mr. ELLENDER (by request) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To provide for corn base acreages and other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law—

4 (1) base acreages (based on a total base acreage
5 for the commercial corn-producing area of fifty-one mil-
6 lion acres) shall be established for corn as provided in
7 section 103 (b) (1) of the Agricultural Act of 1956
8 for 1957 and for each subsequent year for which an
9 acreage reserve program is in effect for corn;

10 (2) acreage allotments shall not be in effect for the
11 1957 and subsequent crops of corn; and

1 (3) subject to subsections (a) and (d) of section
2 308 of such Act, price support shall be made available
3 by Commodity Credit Corporation for the 1957 and
4 subsequent crops of corn at such level as the Secretary
5 determines, taking into consideration the assistance
6 necessary to aid producers in marketing corn in the
7 normal channels of trade but not encourage the un-
8 economic production of corn, and the factors set forth in
9 section 401 (b) of the Agricultural Act of 1949, as
10 amended: *Provided*, That the level of price support for
11 any crop of corn for which an acreage reserve program
12 is in effect shall not be less than 70 or more than 90
13 per centum of the parity price therefor.

A BILL

To provide for corn base acreages and other purposes.

By Mr. FLENDER

FEBRUARY 1, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

S. 1014

IN THE SENATE OF THE UNITED STATES

FEBRUARY 1, 1957

Mr. CASE of South Dakota introduced the following bill; which was read twice
and referred to the Committee on Agriculture and Forestry

A BILL

To provide for a corn base acreage of fifty-one million acres
for any year in which an acreage-reserve program is in
effect for corn, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That notwithstanding any other provision of law—

4 (1) base acreages (based on a total base acreage
5 for the commercial area of fifty-one million acres) shall
6 be established as provided in section 103 (b) (1) of the
7 Agricultural Act of 1956 for 1957 and for each subse-
8 quent year for which an acreage-reserve program is in
9 effect for corn; and

10 (2) no acreage allotments shall be in effect for the

1 1957 and any subsequent crop of corn for which an
2 acreage-reserve program is in effect for corn.

3 SEC. 2. Subject to subsections (a) and (d) of section
4 308 of the Agricultural Act of 1956, price support shall
5 be made available by the Commodity Credit Corporation
6 for the 1957 and any subsequent crop of corn for which an
7 acreage reserve program is in effect for corn at such level
8 as the Secretary determines, taking into consideration the
9 factors set forth in section 401 (b) of the Agricultural Act
10 of 1949, as amended, will assist producers in marketing corn
11 in the normal channels of trade but not encourage the un-
12 economic production of corn, except that the level of price
13 support for corn produced in the commercial corn-producing
14 area to producers who meet the requirements of subsection
15 (a) of section 308 of the Agricultural Act of 1956 shall be
16 not less than 75 per centum of the parity price.

A BILL

To provide for a corn base acreage of fifty-one million acres for any year in which an acreage-reserve program is in effect for corn, and for other purposes.

By Mr. Case of South Dakota

FEBRUARY 1, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

S. 1076

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 1957

Mr. MUNDT introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Soil Bank Act so as to provide a base acreage for corn of fifty-two million acres, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That (a) the first sentence of section 103 (b) is amended
4 to read as follows:

5 “(b) There is hereby established for 1957 and for each
6 year thereafter for which an acreage reserve program is in
7 effect for corn a total base acreage of corn for the com-
8 mercial corn-producing area proclaimed under section 327
9 of the Agricultural Adjustment Act of 1938, as amended,
10 of fifty-two million acres.”

11 (b) Paragraph (2) of section 103 (b) is repealed.

1 SEC. 2. (a) The last sentence in section 308 (a) of
 2 the Agricultural Act of 1956 is amended to read as follows:
 3 "Corn acreage allotments shall not be effective for any
 4 year for which base acreages are in effect for corn."

5 (b) Subsections (b) and (c) of section 308 of such
 6 Act are repealed.

7 SEC. 3. The amendments made by this Act shall be
 8 effective beginning with the 1957 crop.

A BILL

To amend the Soil Bank Act so as to provide
a base acreage for corn of fifty-two million
acres, and for other purposes.

By Mr. MUNDT

FEBRUARY 7, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

S. 1125

IN THE SENATE OF THE UNITED STATES

FEBRUARY 7, 1957

Mr. HICKENLOOPER (for himself, Mr. HOLLAND, Mr. MARTIN of Iowa, and Mr. HRUSKA) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To enable corn producers to participate in the 1957 soil bank and price-support programs and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That notwithstanding any other provision of law, section 103
4 of the Agricultural Act of 1956 (Public Law 540, Eighty-
5 fourth Congress), is amended by adding a new subsection
6 (c) as follows:

7 “(c) For the 1957 crop year, corn producers in the
8 commercial corn area may qualify for price support on corn
9 and participate in the soil bank program by complying, in
10 accordance with regulations issued by the Secretary of Agri-

1 culture, with either of the alternatives presented to producers
 2 in the corn referendum dated December 11, 1956, pursuant to
 3 the provisions of the Agricultural Act of 1956 (Public Law
 4 540, Eighty-fourth Congress), and price support in the
 5 noncommercial corn area shall be $82\frac{1}{2}$ per centum of the
 6 average of the price support in the commercial corn area as
 7 estimated by the Secretary of Agriculture.”

85TH CONGRESS
1ST SESSION

S. 1125

A BILL

To enable corn producers to participate in the
1957 soil bank and price-support programs,
and for other purposes.

By Mr. HICKENLOOPER, Mr. HOLLAND, Mr. MAR-
TIN of Iowa, and Mr. HRUSKA

FEBRUARY 7, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

H. R. 4555

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 1957

Mr. HARRISON of Nebraska introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To enable corn producers to participate in the 1957 soil bank and price-support program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law, section
4 103 of the Agricultural Act of 1956 (Public Law 540,
5 Eighty-fourth Congress) is amended by adding a new sub-
6 section (c) as follows:

7 “(c) For the 1957 crop year, corn producers in the
8 commercial corn area may qualify for price support on corn
9 and participate in the soil bank program by complying, in
10 accordance with regulations issued by the Secretary of Agri-

1 culture, with either of the alternatives presented to producers
2 in the corn referendum dated December 11, 1956, pursuant
3 to the provision of the Agricultural Act of 1956 (Public
4 Law 540, Eighty-fourth Congress).”

85TH CONGRESS
1ST SESSION

H. R. 4555

A BILL

To enable corn producers to participate in the
1957 soil bank and price-support program
and for other purposes.

By Mr. Harrison of Nebraska

FEBRUARY 7, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 4589

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 1957

Mr. POLK introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To enable corn producers to participate in the 1957 soil bank and price support programs, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law, section 103
4 of the Agricultural Act of 1956 (Public Law 540, Eighty-
5 fourth Congress) is amended by adding a new subsection (c)
6 as follows:

7 “(c) For the 1957 crop year, corn producers in the com-
8 mercial corn area may qualify for price support on corn and
9 participate in the soil bank program by complying, in accord-
10 ance with regulations issued by the Secretary of Agriculture,
11 with either of the alternatives presented to producers in the

- 1 corn referendum dated December 11, 1956, pursuant to the
 2 provision of the Agricultural Act of 1956 (Public Law 540,
 3 Eighty-fourth Congress).”

A BILL

To enable corn producers to participate in the
 1957 soil bank and price-support programs,
 and for other purposes.

By Mr. POLK

FEBRUARY 7, 1957

Referred to the Committee on Agriculture

H. R. 4901

OF THE HOUSE OF REPRESENTATIVES

INTRODUCED

March 1, 1901, by Mr. [Name], of [State], and read twice and referred to the Committee on [Committee Name]

A BILL

to amend the several acts relating to the [Subject], and for other purposes.

Enacted by the Senate and House of Representatives

85TH CONGRESS
1ST SESSION

H. R. 4901

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law, the mini-
4 mum national acreage allotment for corn for 1957 shall be
5 not less than forty-three million two hundred thousand acres.

6 SEC. 2. Section 103 (b) of the Soil Bank Act is amended
7 to read as follows:

8 “(b) Notwithstanding any other provision of law, in
9 addition to all other programs authorized by this Act the
10 Secretary is authorized and directed to formulate and carry

1 out an acreage reserve program for 1957 for acreage diverted
2 from the production of each of the commodities specified in
3 subsection (a) of this section. Individual farms may partici-
4 pate in such acreage reserve program for diverted acres up
5 to the lesser of an acreage equal to 18 per centum of the
6 farm acreage allotment or allotments for such commodities
7 (or one acre, whichever is greater) or the extent to which
8 such participation results in a reduction of the individual
9 farmer's feed grain acreage. For purposes of this subsection
10 and subsection (c) the measure of feed grain acreage on the
11 farm shall be the highest acreage planted in any of the
12 three most recent years, adjusted for unusual weather con-
13 ditions, to the following crops for harvest as grain: Corn
14 produced outside the commercial corn-producing area, wheat
15 produced on farms to which marketing quotas are not appli-
16 cable, grain sorghums, barley, rye, oats, soybeans, and flax-
17 seed. Compensation under this subsection shall be at the
18 rate per acre of the rate per bushel of corn placed in the
19 acreage reserve multiplied by the normal yield per acre of
20 corn in the county in which the farm is located but in no
21 event less than \$20 nor more than \$50 per acre. All
22 applicable terms and conditions of the acreage reserve pro-
23 gram except section 105 (c) shall apply to the program
24 authorized by this subsection."

1 SEC. 3. (a) Section 103 of the Soil Bank Act is
2 amended by adding the following new subsection:

3 “(c) In addition to the programs authorized in subsec-
4 tions (a) and (b) of this section, the Secretary is authorized
5 and directed to formulate and carry out an acreage reserve
6 program for the 1957 crop of feed grains. Compensation
7 for participation in this program shall be at the rate of \$15
8 per acre. To be eligible for such compensation the producer
9 shall reduce his acreage of feed grains below 85 per centum
10 of the feed grain acreage on the farm as defined in subsection
11 (b) of this section less the number of acres which the pro-
12 ducer places in the acreage reserve program authorized in
13 such subsection (b). Except as otherwise provided in this
14 subsection, all of the provisions of this Act which are appli-
15 cable to the acreage reserve program shall apply to the
16 program authorized by this subsection.”

17 (b) Section 105 (c) of the Soil Bank Act is amended
18 by striking out “\$750,000,000” and substituting in lieu
19 thereof “\$1,000,000,000” and by inserting immediately pre-
20 ceding the word “peanuts” the following: “feed grains,
21 \$300,000,000;”.

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

By Mr. COOLEY

FEBRUARY 18, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 4922

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1957

Mr. JENNINGS introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That notwithstanding any other provision of law, the
4 minimum national acreage allotment for corn for 1957 shall
5 be not less than forty-three million two hundred thou-
6 sand acres.

7 SEC. 2. Section 103 (b) of the Soil Bank Act is
8 amended to read as follows:

9 “(b) Notwithstanding any other provision of law, in
10 addition to all other programs authorized by this Act the

1 Secretary is authorized and directed to formulate and carry
2 out an acreage reserve program for 1957 for acreage diverted
3 from the production of each of the commodities specified in
4 subsection (a) of this section. Individual farms may partici-
5 pate in such acreage reserve program for diverted acres up to
6 the lesser of an acreage equal to 18 per centum of the farm
7 acreage allotment or allotments for such commodities (or one
8 acre, whichever is greater) or the extent to which such par-
9 ticipation results in a reduction of the individual farmer's feed
10 grain acreage. For purposes of this subsection and subsection
11 (c) the measure of feed grain acreage on the farm shall be
12 the highest acreage planted in any of the three most recent
13 years, adjusted for unusual weather conditions, to the follow-
14 ing crops for harvest as grain: Corn produced outside the
15 commercial corn-producing area, wheat produced on farms to
16 which marketing quotas are not applicable, grain sorghums,
17 barley, rye, oats, soybeans, and flaxseed. Compensation
18 under this subsection shall be at the rate per acre of the rate
19 per bushel of corn placed in the acreage reserve multiplied by
20 the normal yield per acre of corn in the county in which the
21 farm is located but in no event less than \$20 nor more than
22 \$50 per acre. All applicable terms and conditions of the
23 acreage reserve program except section 105 (c) shall apply
24 to the program authorized by this subsection."

1 SEC. 3. (a) Section 103 of the Soil Bank Act is
2 amended by adding the following new subsection:

3 “(c) In addition to the programs authorized in subsec-
4 tions (a) and (b) of this section, the Secretary is author-
5 ized and directed to formulate and carry out an acreage
6 reserve program for the 1957 crop of feed grains. Com-
7 pensation for participation in this program shall be at the
8 rate of \$15 per acre. To be eligible for such compensation
9 the producer shall reduce his acreage of feed grains below
10 85 per centum of the feed grain acreage on the farm as
11 defined in subsection (b) of this section less the number of
12 acres which the producer places in the acreage reserve pro-
13 gram authorized in such subsection (b). Except as other-
14 wise provided in this subsection, all of the provisions of this
15 Act which are applicable to the acreage reserve program
16 shall apply to the program authorized by this subsection.”

17 (b) Section 105 (c) of the Soil Bank Act is amended
18 by striking out “\$750,000,000” and substituting in lieu
19 thereof “\$1,000,000,000” and by inserting immediately pre-
20 ceding the word “peanuts” the following: “feed grains,
21 \$300,000,000;”.

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

By Mr. JENNINGS

FEBRUARY 18, 1957

Referred to the Committee on Agriculture

85TH CONGRESS
1ST SESSION

H. R. 4940

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1957

Mr. POAGE introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law, the mini-
4 mum national acreage allotment for corn for 1957 shall be
5 not less than forty-three million two hundred thousand acres.

6 SEC. 2. Section 103 (b) of the Soil Bank Act is amended
7 to read as follows:

8 “(b) Notwithstanding any other provision of law, in
9 addition to all other programs authorized by this Act the
10 Secretary is authorized and directed to formulate and carry

1 out an acreage reserve program for 1957 for acreage di-
2 verted from the production of each of the commodities
3 specified in subsection (a) of this section. Individual farms
4 may participate in such acreage reserve program for diverted
5 acres up to the lesser of an acreage equal to 18 per centum
6 of the farm acreage allotment or allotments for such com-
7 modities (or one acre, whichever is greater) or the extent
8 to which such participation results in a reduction of the
9 individual farmer's feed grain acreage. For purposes of this
10 subsection and subsection (c) the measure of feed grain
11 acreage on the farm shall be the highest acreage planted in
12 any of the three most recent years, adjudged for unusual
13 weather conditions, to the following crops for harvest as
14 grain: Corn produced outside the commercial corn-producing
15 area, wheat produced on farms to which marketing quotas
16 are not applicable, grain sorghums, barley, rye, oats, soy-
17 beans, and flaxseed. Compensation under this subsection
18 shall be at the rate per acre of the rate per bushel of corn
19 placed in the acreage reserve multiplied by the normal yield
20 per acre of corn in the county in which the farm is located
21 but in no event less than \$20 nor more than \$50 per acre.
22 All applicable terms and conditions of the acreage reserve
23 program except section 105 (c) shall apply to the program
24 authorized by this subsection."

1 SEC. 3. (a) Section 103 of the Soil Bank Act is amended
2 by adding the following new subsection:

3 “(c) In addition to the programs authorized in sub-
4 sections (a) and (b) of this section, the Secretary is author-
5 ized and directed to formulate and carry out an acreage
6 reserve program for the 1957 crop of feed grains. Compens-
7 ation for participation in this program shall be at the rate
8 of \$15 per acre. To be eligible for such compensation the
9 producer shall reduce his acreage of feed grains below 85
10 per centum of the feed grain acreage on the farm as defined
11 in subsection (b) of this section less the number of acres
12 which the producer places in the acreage reserve program
13 authorized in such subsection (b). Except as otherwise
14 provided in this subsection, all of the provisions of this Act
15 which are applicable to the acreage reserve program shall
16 apply to the program authorized by this subsection.”

17 (b) Section 105 (c) of the Soil Bank Act is amended
18 by striking out “\$750,000,000” and substituting in lieu
19 thereof “\$1,000,000,000” and by inserting immediately pre-
20 ceding the word “peanuts” the following: “feed grains,
21 \$300,000,000;”.

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

By Mr. POAGE

FEBRUARY 18, 1957

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 20, 1957

For actions of February 19, 1957

85th-1st, No. 27

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House committee ordered corn bill reported. Rep. Schwengel urged immediate passage of corn legislation. Sen. Symington criticized Secretary's alleged "misleading" figures on farm income.

HOUSE

1. CORN. The Agriculture Committee ordered reported with amendment H.R. 4901, to establish a minimum acreage allotment for corn, and to provide acreage reserve programs for diverted acres and for feed grains. p. D107
Rep. Schwengel urged immediate action on the passage of corn legislation, and stated that corn farmers were not being favored over other commodity groups. pp. 2008-09
2. LEGISLATIVE PROCEDURE. Rep. Aspinall discussed the criteria to be used by the Objectors Committee on the Consent Calendar in determining which bills should not be passed by unanimous consent, including those which have not been cleared with the Budget Bureau or the Departments affected. p. 1990
Rep. Roberts inserted the rules of procedure to be followed for committee and House action on private, immigration, and claims bills. pp. 1990-92
3. WATER UTILIZATION. Received from the Army Corps of Engineers a report on John Day River, Ore.. p. 2010
4. PATENTS. The Judiciary Committee ordered reported without amendment H.R. 103, to authorize the National Inventors Council to make awards for inventive contributions relating to national defense. p. D108

5. HOUSING. The Veterans' Affairs Committee voted not to report H.R. 4965, to amend the National Service Life Insurance Act to provide for the investment of 20 percent of the national service life insurance funds in making direct home loans to veterans and in purchasing loans guaranteed under the Servicemen's Readjustment Act of 1944. p. D108
6. APPROPRIATIONS. Debated H.R. 4897, the Treasury-Post Office Departments appropriation bill for 1958. pp. 1992-2009

SENATE

7. WHEAT. Sen. Murray and Rep. Metcalf inserted resolutions of the Mont. Senate urging the raising of restrictions on growing high quality hard wheat. p. 1955, 2013
8. DROUGHT RELIEF. Sen. Carlson inserted resolutions of three Kan. Chambers of Commerce urging economic aid to small businesses and small manufacturers in drought-stricken areas, through Defense Department contracts and subcontract arrangements. Sen. Carlson said, I cannot stress too strongly the urgency for this relief in many areas where agriculture has been the predominate fact in the economy.
9. BUDGET. Sen. Thurmond praised Sen. Byrd's efforts to reduce the budget, and stated his belief that there are many places where government spending in non-defense areas can be reduced. He inserted a resolution of the Sumter, S. C., Chamber of Commerce in favor of the proposed Byrd balanced budget amendment, an editorial praising Sen. Byrd as an economizer, and another urging the balanced budget amendment. p. 1960
10. FORESTS. The Interior and Insular Affairs Committee reported S. 469, to defer termination of Federal supervision over the Klamath Indians for 18 months (S. Rept. 92). p. 1960
11. FARM PRICES. Sen. Symington criticized the Secretary for using alleged misleading figures on farm income increases, and stated that only in December, 1956, was farm income 7% higher than the year before. p. 1963
12. ELECTRIFICATION. Sen. Morse inserted a statement he made criticizing the Secretary of the Interior for his actions studying the Pleasant Valley Dam near Hells Canyon. p. 1964

ITEMS IN THE APPENDIX

13. MINERALS. Sen. Watkins inserted a speech he made before the National Western Mining Conference in which he urged action to preserve the domestic mining industry. pp. A1197-9
14. FOOD STOCKPILING. Sen. Symington inserted an article from the Mo. Farmer on the importance of storing food in case of war, and urging food bank legislation to save food for emergency use. pp. A1200-1
15. FARM PROGRAM. Rep. McGregor inserted a tabulation of replies from a questionnaire sent to his constituents; 55% favored continuation of the soil bank, 83% favored allowing all farmers, regardless of crop acreage, to vote in crop referendums. pp. A1210-11

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued February 25, 1957

For actions of February 21 & 22, 1957

85th-1st, Nos. 29 and 30

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House committee reported Interior appropriation bill, including FS items. House committee reported corn program bill with feed grains provision. House discussed corn program bill. Several Representatives criticized Secretary and farm program. Rep. Christopher requested drought relief for Mo. Sen. Dirksen commended Secretary and farm program. Sen. Symington criticized Secretary's statement regarding farm income. Sen. Martin, Iowa, spoke in favor of national food reserves for underdeveloped countries. Both Houses received CSC proposed bill to authorize outside training. House committee submitted report on availability of Government information. Rep. Anderson, Mont., introduced and discussed measure for price-spread study. Sen. Curtis introduced and discussed corn program bill.

HOUSE - FEBRUARY 21

1. APPROPRIATIONS. The Appropriations Committee reported without amendment H. R. 5189, the Interior and related agencies appropriation bill, which includes items for the Forest Service (H. Rept. 145). Rep. Jensen reserved all points of order on the bill. p. 2142 (See end of Digest for statement on USDA items.)
2. CORN PROGRAM. The Agriculture Committee reported with amendment H. R. 4901, to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, etc. (H. Rept. 151). p. 2164
The Rules Committee began but did not complete consideration of a rule on this bill. pp. D120-1

Rep. Poage spoke in support of the bill and expressed surprise that there is opposition to it from the corn areas. pp. 2142-3

Rep. Halleck said the amended bill would cost too much and that its scope should be limited to the corn emergency at this time. pp. 2145-6

Rep. Bass, Tenn., spoke in favor of the committee bill. p. 2146

Rep. Arends criticized the amended bill and spoke on the importance of corn to the nation's economy. p. 2146

3. FARM PROGRAM. Rep. McGovern^{criticized} the Secretary's statement regarding the effect of wage increases on net farm income, called for an investigation of factors responsible for increases in the cost of living, recommended higher price supports, claimed the Secretary has made conflicting statements, and quoted USDA statistics on farm income and CCC holdings. pp. 2149-51

Rep. Knutson spoke in favor of a rounded economic development with special attention to agriculture. pp. 2151-4

Rep. Breeding agreed with Rep. McGovern and recommended soil conservation payments for wind control practices, emergency feed assistance including protein and feed grains, a deferred grazing program, additional Federal farm loans, more SBA drought loans, etc. pp. 2154-5

Rep. Anderson, Mont., said the Secretary is engaged in "bloodletting" the farmer, Rep. Hoffman objected to this statement, and others discussed the matter. pp. 2155-60, 2162-3

4. ECONOMIC DEVELOPMENT; MONOPOLIES. Rep. Teller criticized monopolies and spoke in favor of H. R. 5190, his bill to create a National Commission for Free Economic Development. pp. 2160-2

5. DROUGHT RELIEF. Rep. Christopher urged drought relief for Mo. p. 2146

6. RESEARCH. The Judiciary Committee reported with amendment H. R. 103, to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense (H. Rept. 148). p. 2164

7. COMMITTEE ASSIGNMENTS. The Interstate and Foreign Commerce Committee announced appointments to its subcommittees on transportation and communications, health and science, and commerce and finance. p. D120

SENATE - FEBRUARY 21

8. FARM PROGRAM. Sen. Dirksen commended the Secretary, deplored criticisms against him and others in the executive branch, defended the Secretary's statements regarding improvements in farm income, expressed concern about the time being taken to consider corn legislation, and inserted the Department's release on the method of computing farm income. pp. 2093-4

Sen. Symington stated that farm income for 1956 was lower than for 1955, when "properly adjusted for inventory changes," and referred to the Secretary's statement on this point. p. 2118

9. FOOD RESERVES. Sen. Martin, Iowa, spoke against a World Food Reserve and favoring national food reserves in those countries undergoing rapid economic development, with the U. S. surpluses stocking these reserves through sales for local currencies. He inserted a statement by Sen. Humphrey on this matter. pp. 2120-3

10. FOREIGN AID. Continued debate on S. J. Res. 19, which authorizes the President to use \$200 million, from foreign aid funds, to promote peace and stability in the Middle East. pp. 2106-111, 2119-20

Sen. Knowland inserted the President's recent speech on the Middle East

CORN AND FEED GRAIN PROGRAM

FEBRUARY 21, 1957.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. COOLEY, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H. R. 4901]

The Committee on Agriculture, to whom was referred the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 2, line 20, following the word "located", insert

or 60 per centum of the support price of the normal yield
of the feed grain diverted from production in the county
in which the farm is located, whichever is greater,

Page 2, line 21, strike out "\$20" and insert "\$10".

STATEMENT

H. R. 4901 proposes to restore stability of supply and price and improve the income of farmers in the great feed- and livestock-producing areas. It establishes an effective program to reduce production gluts of corn and other feed grains. It seeks to bring about equality of treatment of the other major crops, along with corn, in the operation of the acreage reserve of the soil bank.

This bill deals not alone with corn in the commercial area but seeks to diminish the overproduction of all feed grains and related crops—corn outside the commercial area, wheat produced outside marketing quota areas, grain sorghum, oats, rye, barley, flaxseed, and soybeans. It offers all basic crop producers and other farmers an opportunity to join with commercial corn farmers in a far-reaching and effective program to reduce feed surpluses, by placing grain-producing land,

wherever it may be, into the soil bank. This is provided without changing the 1957 farm allotments already announced for basic crops other than corn.

Corn in the commercial area is given the treatment its representatives have asked. But the bill goes further and extends similar considerations to other farmers growing other feed grains.

What do the representatives of corn farmers want, and how does this bill meet their demands?

First. They want a larger allotment. This bill gives them an arbitrary increase of approximately 6 million acres over the allotment of 37,300,000 acres set for 1957 by the Department of Agriculture. No other crop ever had such generous treatment in the allotment of acres. In fact, the bill sets the 1957 corn allotment at exactly the same level as existed last year—with which allotment about 45 percent of all commercial corn farmers complied without any special inducement.

Second. They want to be able to place a substantial amount of acreage in the soil bank above allotments.

This bill allows corn farmers to place 7,800,000 acres above their allotments in the soil bank. This means that corn farmers can reduce their acreage from a farm base of 51 million acres in 1957—just as they did in 1956—and be paid for it.

Third. Corn farmers want to be paid at corn prices whether they place corn or other feed grains in the soil bank.

This bill provides that if a corn farmer reduces any kind of feed grain, including soybeans or flaxseed, he will be paid at the corn rate. If every possible acre authorized by this bill were placed in the soil bank, corn farmers in the commercial corn area could earn over \$300 million more than they can if the bill is not passed. Last year corn farmers actually collected \$179 million for these practices.

Fourth. Corn farmers want to know that supports on compliance corn will not drop below 75 percent of parity. It is clear that many farmers voted as they did in the referendum last year because they feared that Secretary of Agriculture Benson would reduce their supports below 75 percent of parity.

This bill continues the present 75 to 90 percent supports now in the law. There is no way under this bill whereby the Secretary can drop supports below the present minimum.

Fifth. Corn farmers want to be sure that corn remains a "basic commodity."

This bill retains corn as one of the 6 "basics" and strengthens its position as such by according the same treatment in respect to the soil bank to all 6 "basic" crops.

This bill does for commercial corn farmers all that their spokesmen have asked, and more. It assures the corn producer who did not comply with acreage allotments last year that he can become eligible for both soil-bank and price-support payments under this program simply by reducing his corn acreage to the level of last year's allotment. The corn grower who did comply last year (45 percent of all commercial growers) will be eligible for soil-bank payments at the corn rate by reducing his other feed grains—and will, of course, remain eligible for price supports.

The committee presents this measure to the House after rejecting all proposals that would merely continue the costly corn program that

operated in 1956 and which failed completely to reduce the production of surplus corn. If operated again in 1957 this program, at a cost of many millions of dollars, actually would encourage a larger surplus production of other feed grains which now supplement and, indeed, are supplanting corn in the feeding of livestock. The Department submitted this proposal to corn farmers, and it failed to win the two-thirds majority vote required for approval.

In its deliberation the committee came to a decision on whether it would take one of three routes. The first route is the bill herewith presented. The second proposal was embraced in the Andresen bill (H. R. 3011) and the third route was the proposal by Secretary Benson as the "administration" measure.

The committee bill, as reported, encompasses all the proposals of the other bills that will be beneficial to commercial corn farmers, and then proceeds to deal effectively with the total problem of surplus feed.

Following is a comparison of the committee bill with the separate proposals presented by the administration and by Representative August H. Andresen:

Provisions of committee bill compared with other proposals

	Committee bill (H. R. 4901)	Administration bill (not introduced)	Andresen bill (H. R. 3011)
Retention of corn as "basic" crop	Retains	Removes	Retains.
Total commercial corn "base" from which soil-bank payments start.	51,000,000 acres	51,000,000 acres	51,000,000 acres.
Commercial corn allotment for 1957	43,200,000 acres	None	51,000,000 acres.
Extent of participation in soil bank required for price support eligibility.	No soil bank participation required, but allotment can be met and acreage reserve payments received for reducing from base to allotment.	Acreage equal to 15 percent of base acreage. If participation is in acreage reserve program, corn acreage must be reduced below base acreage by amount of such participation.	Acreage equal to 15 percent of allotment. If participation is in acreage reserve program, corn acreage must be reduced below allotment by amount of such participation.
Extent of reduction below "base" required to qualify for support.	18 percent	15 percent	15 percent.
Level of support prices on compliance corn in commercial area.	75 to 90 percent (existing law)	Not less than 70 percent in 1957. No floor thereafter.	75 to 90 percent (existing law).
Level of support prices on noncommercial corn.	75 percent of commercial (existing law)	82½ percent of commercial corn for 1957 only. No floor thereafter.	75 percent of commercial (existing law).
Does bill provide incentive to reduce corn and feed grains outside commercial corn areas?	Yes	No	No.
Does bill provide comparable treatment for "commercial" and "noncommercial" corn?	Yes	No	No.
Does bill allow placing of feed grains in soil bank outside commercial corn area?	Yes	No	No.
Rate of payment for allowed retirement of acreage to reserve.	Corn rate or feed-grain rate; \$10 per acre minimum, \$50 per acre maximum.	Corn rate	Corn rate.
Extent of soil bank participation allowed for land diverted from a basic crop other than commercial corn.	18 percent after taking 15-percent cut—provided 18 percent results in comparable reduction in feed grains.	None	None.
Rate of payment for feed grain acreage placed in soil bank by feed grain grower having no basic crop allotment.	\$15 per acre	None	None.

It is the position of this committee, supported by all competent witnesses including spokesmen for the Department of Agriculture, that there can be no remedy for the growing and burdensome surplus of feed merely by the operation of programs that seek to reduce the output of corn in the commercial corn-producing area while ignoring the exploding production of other feed grains and corn outside the commercial corn area.

For Congress to support and authorize such a program—repressing the production of corn in the commercial area and encouraging the production of grains that supplement and compete with commercial area corn—would be a folly which surely would lead to a greater and greater glut of feeds, lower income for farmers, and ever-increasing costs to Government.

Moreover, a great injustice and injury would be imposed directly upon the great corn-hog area of the Nation if the Congress subscribed to a policy of discouraging production in the commercial corn area and simultaneously encouraged elsewhere the output of competitive grains.

This committee, in its considerations of the legislation here presented, has been unable to reconcile the statements of the Department of Agriculture on the crisis in surplus feed production and the Department's contemporary opposition to measures that deal with this problem.

Mr. Marvin L. McLain, Assistant Secretary of Agriculture, and the first witness before the committee on corn legislation, presented the Department's position. He analyzed the need for legislation in this language:

In adjusting to their allotments producers of other basic crops diverted a substantial part of their acreage taken out of production to feed grains, including corn. As a result the 1954 and 1955 production of oats, barley, and grain sorghums increased about 800 million bushels, corn equivalent by weight as compared with 1953. The biggest part of this excess came in the noncommercial corn area. This led to the substitution of other feed grains for corn in livestock feeding and a substantial increase in the corn carryover. The corn carryover rose from 769 million bushels at the beginning of the 1953 marketing year to 1,166 million bushels at the beginning of the 1956 marketing year. The loss of corn markets to other feed grains contributed substantially to this increase in carryover. The net result was that under the legal formula formula for the determination of acreage allotments that the 1956 acreage allotment was reduced from about 50 million to 43 million acres. Corn farmers and livestock producers are carrying not only their own problem but in addition the problems shifted to them by producers of other crops.

Yet, Mr. McLain, speaking for Secretary of Agriculture Benson, at a later committee session, flatly opposed all proposals before the committee that would deal with the vast increase in output of other grains which he previously had given as the cause of the surplus problem in the commercial corn-producing area.

The committee does not yet understand the basis of the opposition of the Department of Agriculture. Mr. McLain's major objection

seemed to be that feed-grain land put into the acreage reserve "would be the poorest acres because farmers are smart enough to figure that out and we think that the reduction of feed grains would be very nominal".

This position was not impressive since it is the prospect in all acreage reserve programs now in operation that a farmer will not usually remove his best acres from production first, to participate in the acreage reserve.

It seems to this committee that the Department, in opposing this legislation, is clinging to its philosophy that a lowering of prices—the use of harsh economic pressure—is the only remedy to discourage the production of a crop. It is noted in this respect that the Secretary of Agriculture already has reduced the support price of commercial corn from 86.2 percent of parity in 1956 to 76.8 percent in 1957; the supports of the other feed grains—barley, grain sorghum, oats, and rye—have been reduced from 76 percent in 1956 to 70 percent this year; flaxseed from 70 percent to 65, and soybeans from 75 percent to 70.

The Congress rejected this low price policy in 1956 but its action was thwarted by a presidential veto.

Specifically, with respect to the relationship of price to the volume of production of corn, the committee reminds the House that a large corn crop in 1932 caused the farm price of corn to drop below 20 cents a bushel, which was less than one-fourth of the price prevailing in 1928 and 1929, and the low corn price in turn encouraged an even larger oversupply of hogs than in the previous year despite the prevailing poor prices for pork. It is significant, by comparison, that the high hog prices of 1947 and 1948 brought only moderate increases in the pig crops of these years.

In its long association with the supply and price situations of corn this committee is convinced that livestock producers go broke most often during periods of cheap feed and they enjoy their greatest prosperity in times when feed prices are stable and fair to the grain producers.

The Department itself recognized this economic truism in its document Long Range Farm Program. This document embraced technical studies of farm price support proposals, being prepared during the period of the severe livestock price decline of 1953. It said:

Livestock producers appear to be better off because of price and storage programs for feed grains than without them. Having a stable supply of feed available at comparatively stable prices helps livestock producers to stabilize their operations during a period when consumer demand is unchanging; and it aids them greatly when a sharp increase in demand calls for a stepped-up livestock output. These advantages appear to outweigh the disadvantage in which many livestock producers find themselves when demand declines, as they are squeezed between a falling price for their product and relatively firm prices for feed—a price squeeze that lasts until the level of production is adjusted so as to restore a more nearly normal produce-feed price relationship.

It is to the problem of overproduction of all feed grains and to the objective of stable supplies and improved farm prices for grain and livestock that this bill addresses itself.

The committee cites especially the readiness of the grain sorghum producers to cooperate with corn farmers in a solution of the total feed surplus problem. This grain now is one of corn's growing competitors. Mr. R. G. Peeler of Hereford, Tex., president of the Grain Sorghum Producers Association, testified that his association is willing to cut back production in a soil-bank program that deals with all the feed grains. He said:

This overproduction of corn and feed grains during the past several years has been one of the principal reasons for the unstable livestock problem. So long as we continue to plant approximately 80 million acres of feed grains and soybeans without any controls and at a considerably reduced support price than that of commercial corn, we will continue to have a bad livestock economy. * * * For the good of the future, let's make this legislation broad enough to insure enough overall participation in the various feed crops so that the soil bank will achieve its desired role—that of reducing the surplus of corn. * * * We in the grain sorghum field want to cooperate with everybody on a fair and equal basis to maintain a stable feed grain and livestock business.

The committee was impressed with the farmers, now producing a feed grain that is displacing large tonnages of corn in feedlots, expressing a readiness to work with corn producers in dealing with the total feed surplus problem.

The committee reemphasizes that it is utterly futile to deal with the surplus feed problem by using the soil bank merely as an enticement to repress the production of corn in the commercial corn area.

H. R. 4901 here presented is unique in that by shaping an effective program for all feed and livestock producers it accomplishes a second major objective. It brings to the major crops a degree of equality in the operation of the soil bank.

This is attained by permitting producers of wheat, cotton, tobacco, rice, and peanuts to put into the acreage reserve, at the corn soil bank rate, land that previously has been diverted from one of these basic crops and which has been employed in the production of corn and other feed grains. The bill goes even further, to permit any farmer who produces feed grains, regardless whether he has a basic crop allotment, to place feed grain acres into the reserve.

Thus, through H. R. 4901, the committee has sought to mobilize farmers generally throughout the country to bring to bear the force of united efforts upon the problems of the corn and livestock producers.

In conclusion, this committee earnestly stresses to the House, and to the whole community of agriculture, the importance of such unity among farmers, for it will be only through an "all for one" spirit, with the various crops and regions understanding one another and working together, that we ever can hope to solve the vexing problems of agriculture and ultimately assure to our farm families a fair share of the national income and a full partnership in the prosperity of this Nation.

ANALYSIS OF THE BILL

Section 1.—Section 1 of the bill establishes a 1957 acreage allotment for corn in the commercial corn-producing area of 43,200,000 acres. This is 5,911,000 acres above the 1957 corn acreage allotment

of 37,289,000 acres previously announced by the Secretary of Agriculture. It has the effect of establishing for corn for the 1 year 1957 a minimum acreage allotment, such as already applies to several other commodities, below which acreage is not permitted to go regardless of the operations of the Agricultural Act of 1938, as amended.

The allotment of 43,200,000 acres is substantially the same as the 1956 corn allotment with which some 45 percent of corn producers complied without any unusual incentive. This allotment taken in conjunction with the program authorized in section 2 of the bill will have the effect of establishing a corn base of approximately 51 million acres for soil-bank purposes.

No change is made in the basic law relating to corn-acreage allotments nor in the law relating to price supports for corn. In the absence of further legislation to the contrary, corn will continue to be allotted under the provisions of the Agricultural Act of 1938, as amended, and will receive price support pursuant to the provisions of the Agricultural Act of 1949, as amended, at a level between 75 and 90 percent of parity. The bill makes no change of any kind in the status of corn as a basic commodity.

Under the provisions of this bill, in order to be eligible for price supports in 1957 the corn farmer in the commercial corn area would have to comply with an acreage allotment based on 43,200,000 acres, instead of an acreage allotment based on 37,289,000 acres as heretofore announced by the Secretary of Agriculture. The level of price support unless revised upward by the Secretary (the law prevents him from revising it downward) would be on a national average of \$1.36 per bushel as previously announced by the Secretary. No provision of the bill requires soil-bank participation by corn farmers as an element of eligibility for price support.

Section 2.—This section authorizes and directs the Secretary to carry out an acreage reserve program for 1957 for acreage diverted from the production of the basic commodities, including corn. The purpose of this section is to take out of the production of feed grains land formerly planted to the basic commodities which has been diverted to feed grains by reduction in the acreage allotments of the basic commodities.

The program authorized by this section, therefore, will be available only to farmers who have a 1957 allotment of one or more of the commodities listed in section 103 (a) of the Soil Bank Act (wheat, cotton, corn produced in the commercial corn producing area, peanuts, rice, and various kinds of tobacco). In order to be eligible for compensation under this program, the farmer must reduce his planting of feed grains (as defined in this section) below his farm history for such grains. The acreage thus retired will be subject to all applicable acreage reserve conditions, such as identification and nonuse for either cropping or grazing purposes. The extent of any farmer's participation in this program is limited to an acreage equal to 18 percent of his 1957 allotment or allotments of the basic commodities.

For purposes of this program and the program authorized in section 3 feed grains are defined as corn produced outside the commercial corn-producing area, wheat produced on farms to which marketing quotas are not applicable, grain sorghums, barley, rye, oats, soybeans, and flaxseed. The feed-grain history to be used for measuring reductions in feed-grain acreage for purposes of this program is the high-

est acreage planted to such feed grains on the farm in the last 3 years. This 3-year period was selected deliberately because on many farms not primarily engaged in growing feed grains, their production is an in-and-out operation conforming to the farmer's rotation schedule and the acreage in feed grains may vary substantially from year to year.

It is emphasized that there must be a history of feed-grain production on the farm in order to qualify the producer for payments under the diverted acreage program and that he will be eligible for such payments only to the extent that his 1957 acreage is reduced below that history, and the acreage set aside in the soil bank.

Payment under this section in most areas will be at the rate previously established by the Secretary for the placing of corn acreage in the acreage reserve. This rate is 90 cents per bushel. This will be multiplied by the normal yield per acre of corn for the county in which the farm is located to compute the locally applicable rate. In the commercial corn area these payments are estimated by the Department of Agriculture to average \$42.66 per acre. The rate of payment will be lower in the noncommercial corn areas, where the yield per acre is substantially lower.

In areas where corn production is so meager that farmers obtain a better return for some other feed grain, the rate of payment will be based on the production of the feed grain actually placed in the acreage reserve by the producer and is established at 60 percent of the support price of such feed grain multiplied by the normal yield for the county. It is anticipated that this alternative provision will only come into use in areas where there is no substantial production of corn.

The minimum payment of \$10 per acre is established primarily for the purpose of simplifying administration of the program. It will eliminate the necessity for the Department to figure normal yields in counties where none of the feed grains are grown in significant quantities. In this connection it is emphasized, however, that only farms in such counties that have actually been growing feed grains and who reduce their acreage in conformity with this program will be eligible for such \$10 per acre payments.

The cost of this program can be estimated with only approximate accuracy because of two variable factors: (1) the extent of participation which may be anticipated and (2) the rate of payment outside the commercial corn area. In the commercial corn-producing area, the provisions of this section would make 7,776,000 acres eligible for participation in this diverted acres program. In 1956, approximately 45 percent of the commercial corn farmers complied with their acreage allotments. These farmers, therefore, would not have to reduce their corn acreage further in order to participate in this program, so it seems reasonable to assume that virtually all of them would do so. It is assumed that about half of the corn farmers who did not comply with acreage allotments last year would do so in 1957 under the incentive offered by the program. If they do, that would make total participation in the commercial corn area of about 72 percent, or about 5,590,000 acres. At the rate of payment estimated by the Department for corn in the commercial area (\$42.66 per acre), this would amount to payments of approximately \$238 million.

The provisions of this section make about 13,700,000 acres related to allotments other than corn eligible for participation on a strictly statistical basis. In order to participate, however, such acreage must

have been planted during the last 3 years to feed grains and it is estimated that, at the most, a maximum of 75 percent of such acreage will meet this qualification, or about 10 million acres. There will then be the choice of those farmers who have eligible acres as to whether they want to participate in the program and, on the basis of past experience, it is estimated that not more than 60 percent of them will choose to do so. This, then, makes an estimated participation outside the commercial corn area of about 6 million acres.

The rate of payment per acre outside the commercial corn area will be based on either the yield of corn in the county, the yield of other feed grains where corn is not a significant crop, or the minimum of \$10 per acre established in the bill. It is estimated that the average rate will be substantially less than half of the rate per acre for corn grown in the commercial area, or somewhere between \$15 and \$20 per acre. If the rate of \$17.50 is used for estimating purposes, this would make the probable cost for acreage related to commodities other than corn approximately \$105 million.

On the basis of these estimates, therefore, the total cost of the program authorized in section 2 may be placed at about \$343 million. It is to be remembered, however, that under the regular acreage reserve program, the Secretary has already allotted \$217 million for corn for the purpose of achieving less of a reduction in corn acreage than is authorized in this section. It seems reasonable to assume that most corn farmers will not want to make both the reduction contemplated by this program and also a reduction under the regular acreage reserve program. If this is true, then virtually all the money allotted to the regular corn program will remain unspent so that the actual net cost for the corn program under this section might well be \$238 million less \$217 million, or approximately \$21 million. This would make the net cost for the whole program authorized in section 2 of about \$126 million.

Section 3.—Section 3 of the bill sets up an acreage reserve program for feed grains designed primarily for areas where basic crops are not produced and which are, therefore, not eligible to participate in either the regular acreage reserve program or the program for diverted acres established under section 2, but it is not limited to such areas.

Under the provisions of this section, any farmer who has a history of growing feed grains would be eligible to participate in this special feed grains acreage reserve program regardless of whether he is eligible to participate in any other part of the acreage reserve program. The base for determining reduction in feed grain acreages for purposes of this program is the same as under section 2—85 percent of the highest acreage planted to feed grains on the farm in the most recent 3 years.

If the farmer does not have a 1957 allotment for any basic crop (and therefore is not eligible to participate in the acreage reserve program established in sec. 2) he will be eligible to compensation for the full amount of his reduction in feed-grain acreage below the established base. If the farmer is eligible to participate in the other acreage-reserve program he may still participate in the feed grain acreage-reserve program but the amount of acreage he has placed in the diverted acres program (established by sec. 2) will be deducted before he is eligible for payment under this section. It is to be noted that there is nothing in this section to prevent the producer from

placing feed-grain acreage above the 85-percent base in the conservation-reserve program.

Payment under this section has been established at the uniform rate of \$15 per acre, regardless of which feed grain is involved in the acreage reduction. The committee realizes that this rate will not prove attractive to farmers who are producing some of the more remunerative feed grains in some of the heavy-yielding areas and the uniform rate was agreed upon only because it would be most difficult for the Department of Agriculture to work out separate farm histories and rates of payment for each of the feed grains in time to get a program in operation in 1957. It is believed that the \$15 rate will prove to be sufficiently attractive to enough producers of these commodities to bring about a substantial reduction in feed-grain production in 1957 and also to give these producers an equitable opportunity to participate in the soil-bank program.

The maximum amount which could be expended on this program is limited by subsection (b) to \$250 million but a realistic estimate of participation is that it could not exceed 50 percent, or a cost of \$125 million.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, and existing law in which no change is proposed is shown in *roman*):

AGRICULTURAL ACT OF 1956

TITLE I—SOIL BANK ACT

SEC. 101. This title may be cited as the "Soil Bank Act".

* * * * *

SUBTITLE A—ACREAGE RESERVE PROGRAM

TERMS AND CONDITIONS

SEC. 103. (a) Notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized and directed to formulate and carry out an acreage reserve program for the 1956, 1957, 1958, and 1959 crops of wheat, cotton, corn produced in the commercial corn-producing area, peanuts, rice, flue-cured tobacco, burley tobacco, Maryland tobacco, dark air-cured tobacco, fire-cured tobacco, Virginia sun-cured tobacco, cigar binder tobacco types 51, 52, 54, and 55, Ohio cigar filler tobacco types 42, 43, and 44, respectively (hereinafter referred to as "the commodity"), under which producers shall be compensated for reducing their acreages of the commodity below their farm acreage allotments or their farm base acreages, whichever may be applicable. To be eligible for such compensation the producer (1) shall reduce his acreage of the commodity below his farm acreage allotment or farm base acreage, whichever may be applicable, within such limits as the Secretary may prescribe, (2) shall specifically designate the acreage so withdrawn from the production of such commodity (hereinafter referred to as

the "reserve acreage"), and (3) shall not harvest any crop from, or graze, the reserve acreage unless the Secretary, after certification by the Governor of the State in which such acreage is situated of the need for grazing on such acreage, determines that it is necessary to permit grazing thereon in order to alleviate damage, hardship, or suffering caused by severe drought, flood, or other natural disaster, and consents to such grazing. Reserve acreage of a commodity may include acreage whether or not planted to the production of the 1956 crop of the commodity prior to the announcement of the acreage reserve program for the 1956 crop if the crop thereon, if any, shall be plowed under or otherwise physically incorporated into the soil, or clipped, mowed, or cut to prevent maturing so that the reduction in acreage of the commodity below the acreage allotment occurs not later than 21 days after the enactment of this title, or by such later date as may be fixed by the Secretary. The reserve acreage shall be in addition to any acreage devoted to the conservation reserve program authorized under subtitle B of this title. The acreage reserve program may include such terms and conditions, in addition to those specifically provided for herein, including provisions relating to control of noxious weeds on the reserve acreage, as the Secretary determines are desirable to effectuate the purposes of this title and to facilitate the practical administration of the acreage reserve program.

Before any producer is entitled to receive any compensation for participating in the acreage reserve program, he must first enter into a contract with the Secretary, which contract, in addition to such other terms and conditions as may be prescribed by the Secretary, shall contain provisions by which such producer shall agree:

(i) In the event that the Secretary determines that there has been a violation of the contract at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the contract, to forfeit all rights to payments or grants under the contract, and to refund to the United States all payments and grants received by him thereunder: *Provided, however,* That the provisions of Section 107 (d) shall apply to the termination of any contract hereunder.

(ii) In the event that the Secretary determines that there has been a violation of the contract but that such violation is of such a nature as not to warrant termination of the contract, to accept such payment adjustments, forfeit such benefits, and make such refunds to the United States of payments and benefits received by him, under the contract, as the Secretary may determine to be appropriate.

[(b) (1) There is hereby established for 1956 and for each year for which an acreage reserve program is in effect for corn a total base acreage of corn for the commercial corn-producing area proclaimed under section 327 of the Agricultural Adjustment Act of 1938, as amended, of fifty-one million acres. The total base acreage of corn for the commercial corn-producing area shall be apportioned by the Secretary among the counties in such area on the basis of the acreage of corn in such counties during the five calendar years immediately preceding the calendar year in which the apportionment is made (plus, in applicable years, the acreage diverted under previous agricultural adjustment, conservation, and soil bank programs), with adjustments for abnormal weather conditions, for trends in acreage during such period and for the promotion of soil-conservation practices: *Provided, That*

any downward adjustment for the promotion of soil-conservation practices shall not exceed 2 per centum of the total base acreage that would otherwise be apportioned to the county. The base acreage for the county shall be apportioned by the Secretary, through the local committees, among the farms within the county on the basis of past acreage of corn (planted and diverted), tillable acreage crop-rotation practices, types of soil, and topography.

[(2) This subsection (b) shall become inoperative after 1956 if in the referendum conducted pursuant to section 308 (b), producers do not vote in favor of the program provided in subsection (c) of such section.]

(b) *Notwithstanding any other provision of law, in addition to all other programs authorized by this Act the Secretary is authorized and directed to formulate and carry out an acreage reserve program for 1957 for acreage diverted from the production of each of the commodities specified in subsection (a) of this section. Individual farms may participate in such acreage reserve program for diverted acres up to the lesser of an acreage equal to 18 per centum of the farm acreage allotment or allotments for such commodities (or one acre, whichever is greater) or the extent to which such participation results in a reduction of the individual farmer's feed grain acreage. For purposes of this subsection and subsection (c) the measure of feed grain acreage on the farm shall be the highest acreage planted in any of the three most recent years, adjusted for unusual weather conditions, to the following crops for harvest as grain: Corn produced outside the commercial corn-producing area, wheat produced on farms to which marketing quotas are not applicable, grain sorghums, barley, rye, oats, soybeans, and flaxseed. Compensation under this subsection shall be at the rate per acre of the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn in the county in which the farm is located or 60 percentum of the support price of the normal yield of the feed grain diverted from production in the county, in which the farm is located, whichever is higher, but in no event less than \$10 nor more than \$50 per acre. All applicable terms and conditions of the acreage reserve program except section 105 (c) shall apply to the program authorized by this subsection.*

(c) *In addition to the programs authorized in subsections (a) and (b) of this section, the Secretary is authorized and directed to formulate and carry out an acreage reserve program for the 1957 crop of feed grains. Compensation for participation in this program shall be at the rate of \$15 per acre. To be eligible for such compensation the producer shall reduce his acreage of feed grains below 85 per centum of the feed grain acreage on the farm as defined in subsection (b) of this section less the number of acres which the producer places in the acreage reserve program authorized in such subsection (b). Except as otherwise provided in this subsection, all of the provisions of this Act which are applicable to the acreage reserve program shall apply to the program authorized by this subsection.*

* * * * *

SEC. 105. * * *

(c) The total compensation paid producers for participating in the acreage reserve program with respect to any year's crops shall not exceed **[\$750,000,000]** \$1,000,000,000, and with respect to any commodity for any year shall not exceed the amount shown below: Wheat, \$375,000,000; cotton, \$300,000,000; corn in the commercial

corn-producing area, \$300,000,000; *feed grains*, \$300,000,000; peanuts, \$7,000,000; rice, \$23,000,000; and tobacco, \$45,000,000. The total amount available for the acreage reserve program for any year's crops shall be apportioned among the various commodities on the basis of the amounts required to achieve the reserve acreage goal for each commodity established under section 104.



85TH CONGRESS
1ST SESSION

H. R. 4901

[Report No. 151]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

FEBRUARY 21, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law, the mini-
4 mum national acreage allotment for corn for 1957 shall be
5 not less than forty-three million two hundred thousand acres.

6 SEC. 2. Section 103 (b) of the Soil Bank Act is amended
7 to read as follows:

8 “(b) Notwithstanding any other provision of law, in
9 addition to all other programs authorized by this Act the
10 Secretary is authorized and directed to formulate and carry

1 out an acreage reserve program for 1957 for acreage diverted
2 from the production of each of the commodities specified in
3 subsection (a) of this section. Individual farms may partici-
4 pate in such acreage reserve program for diverted acres up
5 to the lesser of an acreage equal to 18 per centum of the
6 farm acreage allotment or allotments for such commodities
7 (or one acre, whichever is greater) or the extent to which
8 such participation results in a reduction of the individual
9 farmer's feed grain acreage. For purposes of this subsection
10 and subsection (c) the measure of feed grain acreage on the
11 farm shall be the highest acreage planted in any of the
12 three most recent years, adjusted for unusual weather con-
13 ditions, to the following crops for harvest as grain: Corn
14 produced outside the commercial corn-producing area, wheat
15 produced on farms to which marketing quotas are not appli-
16 cable, grain sorghums, barley, rye, oats, soybeans, and flax-
17 seed. Compensation under this subsection shall be at the
18 rate per acre of the rate per bushel of corn placed in the
19 acreage reserve multiplied by the normal yield per acre of
20 corn in the county in which the farm is located *or 60 per*
21 *centum of the support price of the normal yield of the feed*
22 *grain diverted from production in the county in which the*
23 *farm is located, whichever is greater, but in no event less than*
24 ~~\$20~~ \$10 nor more than \$50 per acre. All applicable terms
25 and conditions of the acreage reserve program except section

1 105 (c) shall apply to the program authorized by this sub-
2 section.”

3 SEC. 3. (a) Section 103 of the Soil Bank Act is
4 amended by adding the following new subsection:

5 “(c) In addition to the programs authorized in subsec-
6 tions (a) and (b) of this section, the Secretary is authorized
7 and directed to formulate and carry out an acreage reserve
8 program for the 1957 crop of feed grains. Compensation
9 for participation in this program shall be at the rate of \$15
10 per acre. To be eligible for such compensation the producer
11 shall reduce his acreage of feed grains below 85 per centum
12 of the feed grain acreage on the farm as defined in subsection
13 (b) of this section less the number of acres which the pro-
14 ducer places in the acreage reserve program authorized in
15 such subsection (b). Except as otherwise provided in this
16 subsection, all of the provisions of this Act which are appli-
17 cable to the acreage reserve program shall apply to the
18 program authorized by this subsection.”

19 (b) Section 105 (c) of the Soil Bank Act is amended
20 by striking out “\$750,000,000” and substituting in lieu
21 thereof “\$1,000,000,000” and by inserting immediately pre-
22 ceding the word “peanuts” the following: “feed grains,
23 \$300,000,000;”.

85TH CONGRESS
1ST SESSION

H. R. 4901

[Report No. 151]

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

By Mr. COOLEY

FEBRUARY 18, 1957

Referred to the Committee on Agriculture

FEBRUARY 21, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

OIL PRICES

Joint meeting: Subcommittee on Public Lands of Committee on Interior and Insular Affairs and Subcommittee on Antitrust and Monopoly of Committee on the Judiciary continued their hearings to study the opera-

tion of the Middle East Emergency Committee and the recent rise in prices of oil, with testimony from Senator Smith of Maine; Hines M. Baker, president, Humble Oil, Inc.; and J. W. Foley, president, and Neal Lilley, vice president, both of the Texas Co.

House of Representatives

Chamber Action

Bills Introduced: 25 public bills, H. R. 5189-5213; 18 private bills, H. R. 5214-5231; and 3 resolutions, H. J. Res. 246 and 247, and H. Res. 175, were introduced.

Pages 2164-2166

Bills Reported: Reports were filed as follows:

H. R. 5189, making appropriations for the Department of the Interior and related agencies for fiscal year 1958 (H. Rept. 145);

Two private resolutions, H. J. Res. 133 and H. Con. Res. 89 (H. Repts. 146 and 147, respectively);

H. R. 103, authorizing awards for inventive contributions relating to the national defense, amended (H. Rept. 148);

H. R. 4815, authorizing establishment of postal stations at Armed Forces and defense installations (H. Rept. 149);

H. R. 277, providing for a statute of limitations with respect to civil actions (H. Rept. 150); and

H. R. 4901, to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains (H. Rept. 151).

Pages 2142, 2164

Late Reports: The Committee on Rules was granted permission to file sundry reports by midnight, Thursday and Friday.

Pages 2143-2144, 2146

Program for Friday: Adjourned at 2:02 p. m. until Friday, February 22, at 12 o'clock noon, when Representative Broomfield will read George Washington's Farewell Address.

Committee Meetings

MILITARY RESERVE

Committee on Armed Services: Subcommittee No. 1 completed hearings with regard to the military reserve program and heard the following witnesses: Omar Ketchum, VFW; Bernard Weitzer, Jewish War Veterans; and Herbert Borchardt, Army and Navy Union. Following the hearing the committee met in executive session.

SAVINGS-LOAN ASSOCIATIONS

Committee on Banking and Currency: Completed public hearings on H. R. 4135, to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies. Witnesses heard were W. Franklin Morrison, chairman, legislative committee, National Savings and Loan League; and J. E. Hoeft, president, Glendale (Calif.) Federal Savings & Loan Association.

POTOMAC BRIDGES

Committee on the District of Columbia: Subcommittee on Police, Firemen, Streets, and Traffic held hearing on H. R. 4366 and H. R. 4367, relating to the construction of bridges over the Potomac River. Witnesses heard were Brig. Gen. Thomas A. Lane, Engineer Commissioner, District of Columbia; James L. Shotwell, representing the Bureau of Public Roads; Clifton G. Stoneburner, Chief Engineer, Arlington County, Va.; and the following representatives of the Highway Department, District of Columbia: J. N. Robertson, Gerard I. Sawyer, Douglas Brinkley, and Lloyd A. Rivard. Adjourned subject to call of the Chair.

SCHOOL CONSTRUCTION

Committee on Education and Labor: Subcommittee on General Education continued hearings with regard to proposed legislation relative to Federal assistance in school construction. Heard today were Representative Scrivner; William M. Adams, chairman, municipal security committee, Investment Bankers of America; and Palmer Ewing, superintendent of schools, Buffalo, N. Y. Hearing will be resumed on Monday, February 25.

EUROPE

Committee on Foreign Affairs: Subcommittee on Europe met in executive session and heard the following witnesses: Jacob D. Beam, Deputy Assistant Secretary of State for European Affairs; and Thorsten V. Kalijarvi, Deputy Assistant Secretary of State for Economic Affairs.

COMMITTEE BUSINESS

Committee on Government Operations: Subcommittee on Intergovernmental Relations met in executive session relative to subcommittee organization and matters pending before the subcommittee.

NATIONAL SHRINE

Committee on Interior and Insular Affairs: Subcommittee on Public Lands ordered favorably reported to the full committee H. Con. Res. 91 (amended), to recognize the Altar of the Nation, located in the Cathedral of the Pines, Rindge, N. H., as a national shrine. Heard in support of the bill were Representatives Bass, Merrow; Lawrence Fernsworth, correspondent, Concord (N. H.) Monitor; Mrs. Dexter Arnold, representing the New Hampshire Federation of Women's Clubs; and Douglas Sloane, founder of the Cathedral of the Pines. Testifying in support of the measure, if amended, were Conrad L. Wirth, Director, National Park Service, accompanied by F. E. Harrison, special assistant. Adjourned subject to the call of the Chair.

SUBCOMMITTEE ASSIGNMENTS

Committee on Interstate and Foreign Commerce: The chairman announced the appointment of the following regular subcommittees and their respective jurisdiction:

Subcommittee on Transportation and Communications: Representatives Harris, chairman, Roberts, Staggers, Rogers of Texas, Friedel, Flynt, Macdonald, Wolverton, O'Hara of Minnesota, Hale, Springer, Derounian, and Younger. Jurisdiction: (a) Interstate and Foreign Transportation, (b) Civil Aeronautics, (c) Interstate Power, (d) Petroleum and Natural Gas, (e) Interstate and Foreign Communications, and (f) Inland Waterways.

Subcommittee on Health and Science: Representatives Williams of Mississippi, chairman, Dies, Rhodes of Pennsylvania, O'Brien of New York, Dingell, Loser, Heselton, Bush, Schenck, Carrigg, and Neal. Jurisdiction: (a) Public Health and Quarantine, (b) Food and Drugs, (c) National Science Foundation, (d) Hospital Construction, (e) Weather Bureau, (f) Bureau of Standards, Weights and Measures and Metric System, and (g) Air Pollution.

Subcommittee on Commerce and Finance: Representatives Mack of Illinois, chairman, Moulder, Dolinger, Jarman, Moss, Bennett of Michigan, Beamer, Avery, and Alger. Jurisdiction: (a) Interstate and Foreign Commerce generally, including inflammable fabrics, (b) Federal Trade Commission, (c) Securities and Exchanges, (d) Newsprint, Brand Names, and Labeling, (e) Railroad Retirement and Unemployment Insurance, and (f) Trading With the Enemy Act.

Representatives Harris and Wolverton will be ex officio members of each subcommittee, with voting privileges, and each member is privileged to attend any session of the subcommittees.

JUDICIAL MISCELLANY

Committee on the Judiciary: Met in executive session and ordered the following bills favorably reported to the House:

H. R. 3819, to provide representation of district judges on the Judicial Conference of the United States;

H. R. 110, relating to resignation and retirement of judges;

H. R. 3818, to provide for the maintenance of a roster of retired judges available for special judicial duty; and

H. R. 4191, prescribing fees of United States commissioners.

The committee also ordered favorably reported to the House several private claim bills and private immigration bills, respectively.

MILITARY POSTAL SERVICE

Committee on Post Office and Civil Service: Met in executive session and ordered favorably reported to the House H. R. 4815, to provide permanent authority for the Postmaster General to establish postal stations at camps, posts, or stations of the Armed Forces, and at defense or other strategic installations. The committee also announced the reappointment of the following subcommittees and chairmen: Subcommittee on Post Office and Postal Operations, chairman, Representative Robeson of Virginia; Subcommittee on Manpower Utilization, chairman, Representative Davis of Georgia; Subcommittee on Civil Service, chairman, Representative Morrison.

MILITARY MEDICAL SERVICES

Committee on Rules: Granted an open rule with 1 hour of debate on H. R. 2460, to improve the career opportunities of nurses and medical specialists of the Army, Navy, and Air Force. Representative Kilday was heard in support of the rule.

DEGAUSSING EQUIPMENT

Committee on Rules: Granted an open rule with 1 hour of debate on H. R. 4285, to authorize the sale of degaussing equipment by the Department of the Navy to the owners or operators of privately owned merchant ships of United States registry. Representatives Durham and Lankford were heard in support of the rule.

MILITARY SHIPPING

Committee on Rules: Granted an open rule with 1 hour of debate on H. R. 2797, authorizing the Secretary of a military department to furnish stevedoring and terminal services and facilities to commercial steamship companies. Representatives Durham and Doyle were heard in support of the rule.

CORN

Committee on Rules: Began but did not complete consideration on granting of rule on H. R. 4901, to estab-

lish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains. Witnesses heard were Representatives Poage and Abernethy. The hearing will be continued at a date yet undetermined.

VETERANS' MEDICAL SERVICES

Committee on Veterans' Affairs: Continued hearings with regard to general subject of veterans' hospitals and medical services. Witnesses heard today were the following representatives of the Oklahoma County Medical Society, Oklahoma City: Dr. W. Kelly West, Dr. James C. Arnspacher, and Dr. Harry Wilkins. Hearings will be resumed on Monday, February 25.

U. S. SAVINGS BONDS

Committee on Ways and Means: Held hearing on H. R. 4734, to amend the Second Liberty Bond Act to increase the maximum interest rate permitted on U. S. savings bonds. Witnesses heard were Under Secretary of the Treasury W. Randolph Burgess; William McC. Martin, Jr., Chairman, Federal Reserve Board; Representative

Multer; and William A. Heilprin. The committee will resume consideration of the bill in executive session on Monday, February 25.

Joint Committee Meetings

STATUS OF ATOMIC ENERGY INDUSTRY

Joint Committee on Atomic Energy: Committee continued its annual statutory hearings (pursuant to sec. 202 of the Atomic Energy Act) on the development, growth, and status of the atomic energy industry, with testimony from Elmer L. Lindseth, committee on atomic power, Edison Electric Institute; Gordon A. Weller, executive vice president, Uranium Institute of America, Grand Junction, Colo.; and D. M. Ballou, gas and electric department, city of Holyoke, Mass. A statement was submitted for inclusion in the record by James Grahl, assistant manager, for Samuel B. Morris, chairman, atomic energy committee, both of the American Public Power Association. A statement was also filed for John Grebe, director, nuclear and basic research department, Dow Chemical Co.

Hearings continue Monday, February 25.

COMMITTEE MEETINGS FOR FRIDAY, FEBRUARY 22

(All meetings are open unless otherwise designated)

Senate

No committee meetings scheduled.

House

Committee on Armed Services, Subcommittee No. 2 on following bills: H. R. 3516, to authorize the Walter Reed Army Institute of Research to award master of science, master of public health, and doctor of science degrees in medicine, dentistry, veterinary medicine, and in the biological sciences involved in health services; H. R. 3235, to establish a peacetime limitation on the number of lieutenant generals in the Marine Corps; and H. R. 2822, relating to professional examinations for promotion of medical, dental, and veterinary officers of the Army and Air Force, 10 a. m., 304 Old House Office Building.

Williams, Lawrence A., O4006378.
 Wilson, Parks W., Jr., O1940088.
 Wiser, Bobbie M., O4061645.
 Wojtal, Robert J., O4060752.
 Woods, Robert D., O4071899.
 Young, Charles D., O4063163.
 Zickel, Raymond E., O4047341.

IN THE NAVY

Vice Adm. William M. Callaghan, United States Navy, when retired, to be placed on the retired list with the rank of vice admiral.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 21, 1957:

UNITED NATIONS

Mrs. Oswald B. Lord, of New York, to be representative of the United States of America on the Human Rights Commission of the Economic and Social Council of the United Nations.

DIPLOMATIC AND FOREIGN SERVICE

John M. Allison, of the District of Columbia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Indonesia.

DEPARTMENT OF STATE

Christian A. Herter, of Massachusetts, to be Under Secretary of State.

DEPARTMENT OF DEFENSE

Mansfield D. Sprague, of Connecticut, to be an Assistant Secretary of Defense.

E. Perkins McGuire, of Ohio, to be an Assistant Secretary of Defense.

Robert Dechert, of Pennsylvania, to be General Counsel of the Department of Defense.

DEPARTMENT OF THE NAVY

Vice Adm. James L. Holloway, Jr., United States Navy, to be Chief of Naval Personnel and Chief of the Bureau of Naval Personnel in the Department of the Navy for a term of 1 year in accordance with title 10, United States Code, section 5141, to have the grade, rank, pay, and allowances of vice admiral while so serving.

UNITED STATES INFORMATION AGENCY

Arthur Larson, of Pennsylvania, to be Director of the United States Information Agency.

UNITED STATES ADVISORY COMMISSION ON EDUCATIONAL EXCHANGE

Laird Bell, of Illinois, to be a member of the United States Advisory Commission on

Educational Exchange for the term of 3 years expiring January 27, 1960, and until his successor has been appointed and qualified.

SUBVERSIVE ACTIVITIES CONTROL BOARD

Dorothy McCullough Lee, of Oregon, to be a member of the Subversive Activities Control Board for the term expiring August 9, 1961.

Thomas James Donegan, of New York, to be a member of the Subversive Activities Control Board for remainder of term expiring April 9, 1957.

BOARD OF PAROLE

Eva Kelly Bowring, of Nebraska, to be a Member of the Board of Parole for a term expiring September 30, 1958.

UNITED STATES ATTORNEYS

Leon H. A. Pierson, of Maryland, to be United States attorney for the district of Maryland for a term of 4 years.

Chester A. Weidenburner, of New Jersey, to be United States attorney for the district of New Jersey for a term of 4 years.

Albert M. Morgan, of West Virginia, to be United States attorney for the northern district of West Virginia for a term of 4 years.

UNITED STATES MARSHAL

Antonio C. Baza, of Guam, to be United States marshal for the district of Guam for a term of 4 years.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in rank as lieutenant general:

Maj. Gen. Donald Prentice Booth, O16395, Army of the United States (brigadier general, U. S. Army).

The following-named officers to be placed on the retired list in the grade indicated under the provisions of title 10, United States Code, section 3962:

To be lieutenant generals

Lt. Gen. Walter Leo Weible, O11308, Army of the United States (major general, U. S. Army).

Lt. Gen. William Kelly Harrison, Jr., O5279, Army of the United States (major general, U. S. Army).

Lt. Gen. Ralph Julian Canine, O7154, Army of the United States (major general, U. S. Army).

UNITED STATES AIR FORCE

Brig. Gen. Marvin Edward Kennebeck, 18819A (colonel, Regular Air Force, Medical),

United States Air Force, for temporary appointment as major general in the United States Air Force, under the provisions of chapter 839, title 10, of the United States Code.

The nominations of Peter John Huggard, Jr., and 3,411 officers for promotion in the Regular Air Force under the provisions of sections 8298, 8299, and 8304, title 10, United States Code, which were received by the Senate on January 14, 1957, were confirmed today, with the exception of the nomination of Ellis Verne Widney, 13137A, and the nomination of John David Vanderveer, nominated to be majors, which were this day withdrawn by the President, and

The nominations of Maj. Gen. Dean Coldwell Strother and 377 other officers for appointment in the United States Air Force, and/or the Regular Air Force, which were today confirmed, were received by the Senate on January 14, 1957.

These nominations, which total 3,790, appear in full in the CONGRESSIONAL RECORD of January 14, 1957, under the caption "Nominations," beginning with the name of Peter John Huggard, Jr., which appears in the last column, page 485, and ending with the name of Edward F. Williams III, which is the last nomination in the second group mentioned, and which is shown in the third column on page 590 of the RECORD.

IN THE NAVY AND THE MARINE CORPS

The nominations of 9,534 officers for appointment in the Navy, and 2,016 nominations for appointment in the Marine Corps, a total of 11,550 nominations in both services, were confirmed today, and appear in full in the CONGRESSIONAL RECORD for January 14, 1957, under caption "Nominations," beginning with the nomination of Vice Adm. Robert Goldthwaite, United States Navy, which appears in the third column of page 590 of the RECORD, and ending with the name of Robert C. Sebilian, which is the last nomination in the Marine Corps, and which is shown on page 526.

WITHDRAWALS

Executive nominations withdrawn from the Senate February 21, 1957:

PROMOTIONS IN THE REGULAR AIR FORCE

Ellis Verne Widney, 13137A, and John David Vanderveer, 15027A, to be majors in the Regular Air Force.

House of Representatives

THURSDAY, FEBRUARY 21, 1957

The House met at 12 o'clock noon.

Rev. David H. Cole, First Universalist Church, Chicago, Ill., offered the following prayer:

Spirit of God, at this moment of great tension in the world, we seek Thy wisdom and perspective as we face the task of legislating order out of the chaos of our world existence. May we be aware of how much of the divisiveness of our times is our creation, let us, therefore, have a sense of humility before the stupidities of the past.

Too often, O God, we have taken it for granted that we are on Thy side in building Thy kingdom on earth. Make us painfully aware that the creation of a heaven of peace or a hell of conflagration is in our hands. Let us be so sensitive to the appalling alternatives that this body will display a kind of wisdom seldom in evidence in any hall of government.

Inspire us to rise above concerns that are provincial and narrow; challenge us to see the good that we can do for all mankind, fire us with such an enthusiasm for brotherhood that we seek to serve the needs of all peoples rather than simply nations; lead us in the direction that will make in our time the conditions that will enable the human race to live as one humanity, dwelling in peace and freedom.

We pray in the name of the God of love and in the confidence that the spirit of love alone is sufficient to rule our lives and our Nation and our world. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McBride, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 348. An act to amend section 12 of the act approved February 22, 1889 (25 Stat. 676), relating to the admission into the Union of the States of North Dakota, South Dakota, Montana, and Washington, by providing for the use of public lands granted to the States therein for the purpose of construction, reconstruction, repair, renovation, furnishings, equipment, or other permanent improvement of public buildings at the capital of said States.

APPROPRIATIONS, DEPARTMENT OF INTERIOR AND RELATED AGENCIES, 1958

Mr. MAGNUSON (on behalf of Mr. KIRWAN) from the Committee on Appro-

priations, reported the bill (H. R. 5189) making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1958, and for other purposes (Rept. No. 145), which was read a first and second time and, with the accompanying papers, referred to the Committee of the Whole House on the State of the Union and ordered to be printed.

Mr. JENSEN reserved all points of order on the bill.

ISRAELI-EGYPTIAN CRISIS

(Mr. ABERNETHY asked and was given permission to address the House for 1 minute.)

Mr. ABERNETHY. Mr. Speaker, what I know about foreign affairs could be recorded in less than the 1 minute which has been yielded me. On the other hand, Mr. Speaker, one need not be an expert in this field to know that the world is troubled with the Israeli-Egyptian crisis. Because of it the chance of maintaining peace is fleeting by the hour.

It concerns me, Mr. Speaker, that up until now I have not heard nor have I read of any within the Congress recognized as expert in the field of foreign affairs who has given support to the President in his effort to bring peace in the Israeli-Egyptian dispute.

His speech of last night was wonderful. His appeal for withdrawal of Israeli forces from Egyptian soil was based on sound logic. It was reasonable and temperate. It was—or at least should have been—reassuring to both Israel and Egypt.

I trust and urge that the leadership of Israel as well as that of Egypt will heed his appeal and that it will have the support of freedom-loving peoples of the entire world, particularly of the United States.

While I have on many occasions differed with the views of our President, on this point he has my support for whatever it is worth. I hope he will have the support, the undivided support, of this Congress—particularly those who are recognized as expert in the field of foreign affairs—in his effort to effect an immediate withdrawal of Israeli forces from Egyptian soil. Until that is done the peace of the world is endangered and for every passing day the dangers are multiplied.

H. R. 4901, ACREAGE ALLOTMENTS FOR CORN

Mr. POAGE. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture may have until midnight

tonight to file a report on the bill H. R. 4901.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. MARTIN. Reserving the right to object, is there opposition to this bill?

Mr. POAGE. Yes; there is a great deal of opposition.

Mr. MARTIN. Will the gentleman incorporate in his request that the minority may have the privilege of filing minority views?

Mr. POAGE. Yes. Mr. Speaker, I include that in my request.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORN AND FEED GRAINS

(Mr. POAGE asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. POAGE. Mr. Speaker, on yesterday the Committee on Agriculture favorably reported a bill to encourage the placing of land now devoted to the production of corn and of other feed grains in the soil bank. The vote in the committee was close, and in general, those who represent the largest corn-producing districts voted against the bill. This seems to be a remarkable situation in view of the fact that the bill gives to corn the very treatment which these Representatives have asked. But it goes further and gives the same consideration to other farmers who have been growing feed grains, even those outside of the commercial corn area.

What do the corn people want, and how does this bill meet their demands?

First. They want a larger allotment. This bill gives them an arbitrary increase of approximately 6,000,000 acres over the allotment of 37,300,000 acres set for 1957 by the Department of Agriculture. No crop ever had such a handsome gift of acreage allotment. In fact, the bill sets the 1957 corn allotment at exactly the same level as existed last year—with which allotment close to 45 percent of all commercial corn farmers complied without any special inducement.

Second. They want to be able to place a substantial amount of acreage in the soil bank above their allotment.

This bill allows corn farmers to place 7,800,000 acres above their allotment in the soil bank. This means that corn farmers can cut their acreage from a farm base of 51,000,000 acres in 1957—just as they did in 1956—and be paid for it.

Third. Corn farmers want to be paid at corn prices whether they place corn or other feed grains in the soil bank.

This bill provides that if a corn farmer reduces any kind of feed grain, including soy beans or flaxseed, he will be paid at the corn rate. If every possible acre authorized by this bill were placed in the soil bank, corn farmers in the commercial corn area could earn over \$300 million more than they can if the bill is not passed. Last year corn farmers actually collected \$179 million for these practices.

Fourth. Corn farmers want to know that supports on compliance corn will not drop below 75 percent. It is clear that many farmers voted as they did in the referendum solely because they feared that Secretary Benson would reduce supports.

This bill continues the present 75 to 90 percent supports now in the law. There is no way under this bill whereby the Secretary of Agriculture can drop supports below the present minimum.

Fifth. Corn farmers want to be sure that corn remains a "basic commodity." This bill retains corn as one of the 6 basics and strengthens its position as such by according the same treatment in respect to the soil bank to all 6 basics.

This bill does for commercial corn all that its special pleaders have asked and more. It assures the corn producer who did not comply with acreage allotments last year that he can become eligible for both soil-bank and price-support payments under this program simply by reducing his corn acreage to the level of last year's allotment. The corn grower who did comply last year—45 percent of all commercial growers—will be eligible for the soil-bank payments at the corn rate by reducing his other feed grains, and will, of course, remain eligible for price supports.

These are all firm and clear-cut advantages which the farmers of the commercial corn area will receive from the passage of the committee bill. They include all the advantages which the Department's bill, or the original Andresen bill, offered to the commercial corn grower.

Why, then, should any representative of commercial corn oppose this bill? Frankly, I do not know. The only reason ever given during the long weeks of hearings and debate has been: "the corn people are faced by an emergency, and we should pass a bill which relates to commercial corn and to commercial corn alone." Of course, the commercial corn people face an emergency. They are going to have to plant within 2 or 3 months. They naturally want to know what the program will be. Likewise, the cotton people, the noncommercial corn people, the tobacco people, and other farmers all face an emergency. They must all—or at least 90 percent must—plant before the commercial corn farmers. In fact, cotton is being planted right now in south Texas. These farmers all want to know what the program will be just as commercial corn farmers want to know. The majority of the committee has tried to give all farmers an answer and to give it now. Does any commercial corn grower object to this?

It has repeatedly been pointed out that the problem of surplus corn was actually a problem of surplus feed—a bushel of corn raised in Texas, even though it is called noncommercial, increases the surplus just as does a bushel of commercial corn raised in Iowa. A hundred pounds of grain sorghum raised in Kansas or oats raised in Tennessee adds to our feed-grain supply and displaces higher priced commercial corn. Six hundred million bushels of corn were grown outside of the commercial area last year. Close to 100 million acres of farmland went into the production of feed grains other than corn. The departmental bill and most of the bills introduced by the representatives of the commercial corn area ignored this vast production of competitive feeds, although both Secretary Benson and Assistant Secretary McLain stated before the committee that we must control the whole field of feed grains if we were to hope to deal effectively with the surplus of commercial corn.

The committee bill attempts to offer some incentive plan to the farmer who does not live in the commercial corn area to put land now devoted to feed grains or noncommercial corn into the soil bank on a basis roughly comparable to that offered to the farmer who lives in the commercial corn area. Surely, no one who is seriously concerned with the existing surplus of corn could for a moment oppose this.

Why then do the representatives of commercial corn farmers resist so vigorously every effort to pass the committee bill. It is not because the bill fails to do for commercial corn what they say should be done. It does all they ask. Their own statements belie the thought that they might feel that a general effort to reduce the overall production of surplus feed grains would be injurious to commercial corn.

Could it be that their opposition is merely the result of their disinclination to extend to others the same kind of treatment they ask for themselves. It is true that this committee bill will allow cotton farmers and wheat farmers who have reduced their plantings of these or other basic crops by as much as 15 percent without any compensation, to put another 18 percent of their allotted acres in the soil bank, provided they thereby reduce their feed-grain acreage, but it allows corn farmers to do exactly the same thing except that the commercial corn farmer will have to take only about a 12-percent cut from history without pay. To believe that this is the real basis of opposition, one must assume that the commercial corn farmers and their spokesmen are adopting the attitude of the old man who prayed, "Lord, bless me and my wife, my son John and his wife, us four and no more." I refuse to attribute such an attitude to any group of American farmers.

Neither am I going to assume that this is just a case of refusing to support a good bill just because it has the wrong political brand on it. Especially do I feel that this cannot be the answer when I recall that the majority of the committee offered to let the bill come out with committee amendments broadening

its scope but under the name of its Corn Belt author. This offer was rejected, and in an effort to avoid any implication that any member supported any subject matter which he did not support the chairman of the committee introduced a new bill, which is the one reported.

Finally, it seems unreasonable indeed to assume that Members could fail to understand the effect of a bill which was so fully discussed in the committee, but, since many Members were not present and did not hear the discussion, I have concluded that this is the most charitable interpretation of the present attitude.

I can understand the attitude of those who say there is no corn problem. I think they are mistaken, but, believing as they do, I can understand their opposition to any bill. I can even understand the opposition of those who feel that there is a problem, but who contend that the solution of the problem is too expensive. I do not share that view, but I know there are those who feel that way. But, Mr. Speaker, what I cannot understand is the attitude of those who say they recognize an emergency, who say that we need to spend hundreds of millions of dollars to reduce the production of corn in the commercial-corn area, and who turn right around and say that nobody's emergency should be considered except that of the commercial-corn producer, and that nothing should be done to reduce the ever-increasing production of surplus feed supplies, including the actual production of corn itself, outside a few favored States. If we are going to spend a quarter of a billion dollars fixing up the commercial-corn side of the water tank, does not good business require that we spend another hundred million plugging the leaks on the noncommercial side?

For years I have heard the demands of the corn people that the farmers of the South and West should not be allowed to grow feed grain on diverted acres. In the past the southern farmer, like the western farmer, has been forced to grow feed grains on his diverted acres in order to live with his reduced allotments of cotton, wheat, and other basic crops. Now we have a soil bank. Last year it was, for practical purposes, applicable only to corn. Corn in the commercial area got 70 cents out of every dollar spent. Corn people now say that if they are to reduce their acres they must be allowed to place their diverted acres in the soil bank. This bill allows that, but it also allows cotton and wheat men to do the same, to the extent they reduce their feed grains. For the first time, we seem to have a really practicable method of enabling cotton and wheat farmers—and professional feed-grain farmers—to reduce their competition to corn; and, of all people, we find the commercial-corn growers—or their representatives—opposing the very things they have so long claimed they needed.

Mr. Speaker, it is indeed a confusing world.

COMMITTEE ON RULES

Mr. ALBERT. Mr. Speaker, at the request of the gentleman from Virginia [Mr. SMITH], I ask unanimous consent

that the Committee on Rules may have until midnight Thursday to file certain privileged reports.

The SPEAKER. Is there objection? There was no objection.

THE LEESBURG, FLA., CENTENNIAL

(Mr. HERLONG asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HERLONG. Mr. Speaker, my hometown of Leesburg, which you were kind enough to visit last fall, will be celebrating its 100th anniversary from February 24 to March 2.

I am going to be there for this event, and I wish that all of you could go along with me to enjoy our wonderful weather and hospitality.

This is a significant occasion, and the citizens will make an all out effort to recall Leesburg's century of life and at the same time tell the world of its tourist, industrial and farming possibilities.

For weeks, the barbers around Leesburg have had lean pickings as its outstanding citizens have tried to grow beards as decorations for Centennial Week. I tried myself, Mr. Speaker, but had to give it up when I went on television in Orlando recently.

Incidentally, later this year, on October 5 to be exact, another city in my district, Orlando, will be 100 years old. And I hope there will be a big celebration, for it has a proud and glorious history.

But back to Leesburg. Here the citizens will recall past events and modes of living of 100 years ago. For days, they have been hunting for costumes and antiques to help them relive the period. There will be a big parade, a huge pageant and a whole week of activities.

Mr. Speaker, I would not miss this occasion for anything.

Leesburg, as you know, is known as "The Big Bass Capital of America." It is located in Lake County which has the distinction of having 1,400 named lakes, in addition to hundreds of privately owned small lakes. No other county in the United States can boast of such fine fishing conditions.

Leesburg itself is on the shores of two of Florida's largest lakes—Lake Griffin and Lake Harris.

As a Leesburg Chamber of Commerce pamphlet proudly points out, the Bass Capital of America is situated at the crossroads of central Florida on U. S. Highways 27 and 441. It is in the geographic center of the State and is headquarters for leisurely planned trips to the majority of the nationally known scenic attractions Florida has made possible.

There is a wide variety of accommodations available in the Leesburg area for the vacation minded including more than 25 fishing camps and resorts, motor courts, hotels and trailer courts, restaurants, and cafes.

There is no closed season on fishing or size limit since nature has provided the best of spawning conditions making it unnecessary to protect the fish during their breeding periods.

No matter where a fisherman may make his headquarters in the Leesburg area, a lake is readily accessible providing all types of fish and countless miles of lily pads.

Any resident 65 years of age or over is exempt from buying a fishing license, as is anyone under 16.

The lakes and canals around Leesburg also provide unlimited possibilities for the boating enthusiast. There are sponsored water trips, from day long jaunts up the picturesque Oklawaha River and terminating at beautiful Silver Springs, a must on anybody's vacation, to longer cruises.

The smooth waters of the lakes provide ideal conditions for sailing.

Due to the clean, dust-free and pollen-free atmosphere around Leesburg, hay fever sufferers are a rarity. Leesburg's year-round average temperature of 74 makes it an ideal place for those suffering with arthritis, rheumatism, heart condition and other diseases of an overtaxed system.

Leesburg has a large, modern, heated, and air-conditioned community building. Nearby are other recreational facilities such as a swimming pool complete with all the equipment necessary to insure the absolute enjoyment of young and old alike. Tennis, shuffleboard, horseshoes, and other sports are to be enjoyed. For the golfer, there is a modern 18-hole course open to visitors and members alike.

The founding of Leesburg stems from the arrival of Arthur Lee of Alabama in 1849 in nearby Sumter County. He had a large family of boys and girls. As life in the frontier country became safer from the Indians, the family spread.

In 1857, Evander Lee brought his 5 sons and 3 daughters to the promising area near the 2 large lakes of Griffin and Harris. Others of the family followed him, and thus began Leesburg.

Mr. Speaker, it is my hope that the Members of Congress will get opportunity one day to visit Leesburg and my Fifth Congressional District to see what we have to offer in the way of good living.

TEST FLYING OVER POPULATED AREAS

(Mr. HARRIS asked and was granted permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. HARRIS. Mr. Speaker, I take this time to make an important statement which I know the Members of this House will be interested in having. It is in connection with the tragic air accident over the Los Angeles section a few days ago.

On February 6, the Director of the Bureau of Safety of the Civil Aeronautics Board appeared before the Committee on Interstate and Foreign Commerce to testify concerning the unfortunate collision in the vicinity of Los Angeles, Calif., on January 31, 1957. The Committee was advised that the Board on the previous day had adopted an amendment to part 60 of the Civil Air Regulations which, effective February 20, 1957, prohibited test

flying over highly populated areas or in areas of high traffic density. This rule also charged the Administrator with the responsibility for approving or designating flight test areas within which test flying of aircraft was to be confined.

Because of the great conflict in air-space requirements of aircraft operators, the task of delineating flight test areas in the vicinity of Los Angeles has proved to be especially complex and controversial. We are faced today with the fact that so much of the airspace in the vicinity of Los Angeles is already restricted for special military use or lies within areas of high traffic density or lies over densely populated areas. The Civil Aeronautics Board and the Administrator have concluded that additional time will be required to complete necessary coordination with aircraft manufacturers and the military services in order to delineate the flight test areas required for production flight testing. In the absence of specifically delineated test flight areas, all production test flights, military and civil, came to a halt yesterday in the Los Angeles area.

Mr. Durfee, Chairman of the Board, advised me today that part 60 has been further amended to extend the date by which approval or designation of flight test areas must be completed until April 15, 1957. In the interim, flight tests will continue to be prohibited over populated areas or in airspace of high traffic density.

Because of the complexity and the importance of this problem, the sincere and effective collaboration on the part of all interests, civil and military, is urgently required.

THE NEAR EASTERN SITUATION

(Mr. SISK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SISK. Mr. Speaker, I too, am gravely concerned with peace in the world today and particularly as it concerns the Middle East; but I was astounded last night to hear enunciated a policy which, so far as I know, represents a departure from anything that has ever occurred in the history of the United States, and it sounded dangerously close to a request for a double standard for nations.

I, for one, am most vigorously opposed to the invoking of any type of sanction against Israel until she is firmly guaranteed and assured the use of the Suez Canal, the Gulf of Aqaba, and protection against bandit raids across her borders. Certainly, it would be my hope that we in this country would not be placed in a position of bringing to bear unfair restrictions or sanctions upon a nation merely because of the size of that nation and yet turn our back because other nations are so big and so powerful that we cannot make those sanctions stick.

Further, I realize the importance of unity and our need to present a united front to the world in the Middle East as we should in all our foreign relations, but certainly, I shall not be bound to follow

now or in the future a leadership which appears to be weak and vacillating and which I feel is ignoring the basic concepts which have guided the policies of this Nation from its very inception.

Going back to the very beginning, our Nation was founded upon moral principles which granted equal rights, equal standards, and equal privileges to all people and to all nations irrespective of their size. For that reason, I have risen today to make my own position clear and to vigorously oppose any change on the part of this Nation in that prime moral concept.

I, for one, feel very uncomfortable in the company of a band of international gangsters on whose side our policymakers appear determined to place the United States. I do not want to stand shoulder to shoulder with an outfit which has violated and is continuing to violate every principle of international justice and every treaty, and whose chosen partner in a series of such outrages against decency is Communist Russia. I do not want to give aid and comfort to bandits, nor to assist them in legalizing thievery.

During our history we have gone to war. We believed it was necessary to protect our national existence. The United Nations went to war in Korea. I detest war, but every teaching of history shows that men, and nations of men, will fight to survive. Israel believed its life as a nation threatened and it struck out to survive. Can we now expect it to abandon the very minimum protections it sought to gain by its fight for survival? Would we ourselves accept such a course were we in that nation's precarious position?

In conclusion, Mr. Speaker, let me say that it is my firm conviction that the American people will never support a policy of bringing sanctions to bear upon the nation of Israel and at the same time ignoring pressures or sanctions against larger nations merely because of their power and position in the world which would tend to make those sanctions ineffective.

(Mr. McCORMACK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCORMACK. Mr. Speaker, following the remarks of my friend from California, we take up the newspapers this morning to find, in the case of Kashmir, that the United Nations has acted on a resolution to send the Secretary General over to have talks, and that the Soviet Union exercised its veto power. Some of us are doing a lot of thinking about the inability of the United Nations to operate with justice, or, rather, to have the world divided into areas into one of which the United Nations cannot go and the other in which they can go.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield.

Mr. HALLECK. Would the gentleman favor the repeal of the veto power without which the Armed Forces of the United States might be committed by the United Nations without any regard to

the authority of the Congress of the United States?

Mr. McCORMACK. Now, the gentleman is going entirely outside the field of the observation I have made. I simply said in relation to the remarks made by the gentleman from California, that we read in the papers this morning where the Soviet Union exercises its veto power in the Security Council. The question of whether or not there should be a veto I have not raised, but they have exercised it in connection with the Secretary General going over there to have talks in connection with the Kashmir situation relative to having a plebiscite there which the General Assembly of the United Nations has voted. The direct answer to the gentleman's question is "No."

THE MIDDLE EAST SITUATION

(Mr. ROOSEVELT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROOSEVELT. Mr. Speaker, I would like to support the words of our distinguished majority leader and to say that I feel there is a very great need for further discussion and clarification of the entire situation in the Middle East and of our American policy in that area and in particular with reference to Israel. Certainly the story has not been fully told and it was not fully told last night. It seems to me that it went forward on a premise which it will be very difficult to sustain by world opinion if the people are given the opportunity to know the story. In effect, we have said that we will wink our eye while Russia builds up a force in the Sinai Peninsula, an aggressive force, about which the United Nations took no steps whatever. Yet we would then deny the right in self-defense of Israel or any nation to make sure that such an aggressive force did not actually enter into combat. Therefore, I have just received permission that on Tuesday next there will be one hour granted to me, at which time I will try to go fully into this situation. May I ask all those who are interested in this discussion to be present at that time.

EXCAVATING MATERIAL NEAR NEW HOUSE OFFICE BUILDING

(Mr. HOFFMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Speaker, we do a lot of futile things in the House. We talk about situations that arise in other countries. The responsibility for the excavating which is being done over on the west and a little south of the New House Office Building is not within my knowledge, but this I do know from personal experience within the last hour. It is one of the dirtiest deals I have ever seen since I came to Washington. The folks that are throwing that dirt out bring it out by trucks which travel up Pennsylvania Avenue. Those big trucks are so filled that as they are driven along the Avenue the dirt falls off from both

sides and the end. We have over there a layer of dirt and dust, a part of which goes up into the air every time a car goes along. It dirties your clothing, clogs the air you breathe. There is neither reason nor excuse for it.

Just why is that permitted to continue? I do not know whether the Speaker has any authority over it or whether that is under the direction of the Architect of the Capitol. There ought to be an end to it. There is no sense to it and I do not see why it is permitted.

The SPEAKER. The Chair may ask if there is any other way of doing it?

Mr. HOFFMAN. Certainly there is. They can take it down the next street on which there is far less traffic. They can lessen the size of the load so it does not fall off in the street before it reaches its destination.

They can wet the top of the load so it does not blow off.

They can just use a little common-sense, show a little—just a little consideration for others who use the crossing, the sidewalks, or the street.

THE MIDDLE EAST SITUATION

(Mr. HALLECK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HALLECK. Mr. Speaker, it was my privilege to attend yesterday morning at the White House the meeting called by the President for a bipartisan discussion with congressional leaders. I have sat in a lot of those meetings. I have sat in such meetings when our President was of the Democratic Party. I want to say that I thought the meeting yesterday was well conducted. Everybody was permitted to make his contribution. It was give and take, and I think one of the finest experiences of my public life.

I commend the President for his statement last night. I think it was masterful. I think he has laid the cards on the table. People know better now just what our position is.

But that is not the reason I rise here particularly. It happens that I come from the Middle West, out in the Corn Belt. The gentleman from Texas [Mr. POAGE] has said that they have introduced a bill that goes away beyond anything that had been asked. Now, actually, there is a crisis with respect to the corn farmer and need for urgent action. I have stood up in the well, coming from the Middle West, where we raise no rice or cotton or peanuts or tobacco, and have helped enact emergency legislation for those commodities, and I say what the majority of the committee is seeking to do here to the corn farmer is to give him a lemon, not some help; to propose not only what he wants to do but to load the bill to where it will never become law.

I want to raise my voice here and now so that the corn farmers out my way will understand what is being attempted. The bill is loaded so that it would cost probably a billion dollars more than necessary. What the committee should

do is not to complicate this corn situation by involving all sorts of other problems of agriculture, but give the matter further study. They ought to do for us in the Middle West what we helped them do for themselves, and that is to give us emergency legislation to meet the problem of the corn farmer and let these other things go for another time.

THE PRESIDENT'S BROADCAST

(Mr. SCOTT of Pennsylvania asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SCOTT of Pennsylvania. Mr. Speaker, the President has stated the official position of the administration in his television broadcast of last night. I have learned now that there may be expected at 1:30 p. m. today, perhaps, a statement from the chief of state of the Israeli Government, and I rise here to express the very earnest and sincere hope that that statement will offer such assurances and such opportunities for peaceful settlement as to render unnecessary a resort to sanctions or to economic force. I still believe that we should have one law for the strong and the same law for the weak. I do not believe that we should proceed against a small state and neglect to proceed against a big one. I have not changed my position. If the United Nations is to be regarded as a strong instrumentality for the welding of peace in the world, it must, above all else, be consistent and fair in its dealing with one nation and another.

FOREIGN POLICY

(Mr. SMITH of Wisconsin asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SMITH of Wisconsin. Mr. Speaker, I do not come into the well of the House as an expert on foreign policy. I want to say, however, for the record, that I firmly support the President in his statement last night. It was a forthright statement. It required considerable courage to make it. On legal and moral grounds alone he stated the American position, and I feel sure he has the support of a great majority of our people.

Mr. Speaker, in all seriousness I would like to say this about the present situation in the Middle East—we ought not to be looking for results as of this day or tomorrow. We are engaged in a long-range problem. I do not believe that we can afford to offend 200 million Arabs who live in the broad area from the Atlantic eastward to Pakistan. The action of Nasser should not be construed as a reflection of the entire Arab world.

And secondly, the free world must have access to the oil resources in that area. It was in 1945 when James Forrestal, then Secretary of the Navy, said that unless we have the resources of the oil of the Middle East, the United States cannot win the next war. At that time he cautioned against disturbing the status quo there. He was aware of a very great danger, which is now present. The real need at this time is to resolve the

differences between Israel and the Arabs. Only then will peace come to this troubled area. Wild and irrational statements serve no good purpose and certainly not the cause of world peace.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

PROGRAM FOR THE CORN FARMER

(Mr. BASS of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BASS of Tennessee. Mr. Speaker, my friend the gentleman from Indiana [Mr. HALLECK] has just taken the Committee on Agriculture to task for a bill that we reported out with reference to corn and other feed grains. I would like the record to be kept straight and to inform my friend, if he already does not know it, that the same sort of program that the Department of Agriculture recommended for the Committee on Agriculture to report, which we did not, was offered to the corn farmers last December for a referendum, which is the usual procedure with all farm programs, and the corn farmers of America refused by vote to accept that program.

Historically, in the House of Representatives, we do not pass a new program for a commodity which the farmers of that commodity refused in a referendum to accept. If the program was not good enough for the corn farmers to accept in a referendum, I believe that this House would be making a mistake if we did not report out a bill which we thought would do the job that the corn farmer did not think would be done when they voted against the program offered by the Secretary of Agriculture.

The SPEAKER. The time of the gentleman from Tennessee has expired.

DUST IN MISSOURI

(Mr. CHRISTOPHER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Speaker, I was a little amused when the gentleman from Michigan [Mr. HOFFMAN] was complaining about the dust here, just a few minutes ago. If the small amount of dust that falls off the trucks endangers the health of the gentleman from Michigan, I would advise him never to come to Missouri. Down in Missouri we are 60 inches short on moisture in the last 5 years, and still our good Secretary of Agriculture, Mr. Benson, says that we have not had a drought in that State. All the trucks in Washington could not make enough dust to compete with what we have out there in a State that is not afflicted with drought at all.

I just took this time to warn the gentleman from Michigan to stay away from Missouri if dust bothers him.

CORN PRODUCTION

(Mr. ARENDS asked and was given permission to address the House for 1 minute.)

Mr. ARENDS. Mr. Speaker, the gentleman from Indiana made some timely remarks a moment ago about the farm bill reported by the Committee on Agriculture. I am sure that any Member of this House, particularly those of us in the corn area who examines this bill, will recognize its complete inadequacy in dealing with the corn farmers' problem.

The gentleman from Tennessee [Mr. Bass] a moment ago made the statement that the farmers got what they voted for last fall in the referendum. He overlooks the fact that the referendum required a two-thirds vote, and that a substantial majority—approximately 61 percent—of the farmers voted for increased acreage for corn. As we approach consideration of a farm bill, I should like for you to reflect on the fact that a minority is denying a majority the program desired. Corrective legislation is promptly needed, but the bill from the Committee on Agriculture is by no means the answer.

Please bear in mind, particularly you who represent city districts, that corn is the greatest single factor that has a bearing on the economy of the United States today. Do remember that indisputable fact as to the basic importance of corn in our economy when you consider the farm bill which will come up next week. I repeat, corn is the greatest factor in our economy in these United States of America; steel and anything else to the contrary notwithstanding.

COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight Friday night to file certain rules and reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

THE AMERICAN INSTITUTE OF ARCHITECTS

(Mr. FOGARTY asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FOGARTY. Mr. Speaker, on February 23, 1957, one of the oldest and most important professional societies in our country—the American Institute of Architects—marks its 100th anniversary.

The American Institute of Architects is dedicated not only to the betterment of the profession of architecture—in itself a worthy goal—but, through constant improvement of our shelter and environment, to the betterment of our lives.

As a former bricklayer, I believe I understand and appreciate the service the architect renders not only to his client but to the community as a whole. Webster defines the architect as a "person skilled in the art of building. One who makes it his occupation to form plans and designs of, and to draw specifications for, buildings, and to superintend their execution." This means more than a glance at the words might signify. His is the task of advancing our entire civilization by planning and de-

85TH CONGRESS
1ST SESSION

S. 1345

IN THE SENATE OF THE UNITED STATES

FEBRUARY 22, 1957

Mr. CURTIS introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To authorize the Secretary of Agriculture to make available corn from Commodity Credit Corporation stocks to certain corn producers who require such corn for livestock feed and who agree to replace such corn with corn from subsequent crops.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That as used in this Act—

4 (1) The term “eligible corn producer” means the oper-
5 ator of a farm on which, because of natural causes, the yield
6 for the crop of corn planted during the marketing year pre-
7 ceding the marketing year during which application is filed

1 under this Act is less than 50 per centum of the normal
2 yield for such farm;

3 (2) The term "normal yield" means normal yield as
4 defined in section 301 (b) (13) (G) of the Agricultural
5 Adjustment Act of 1938, as amended.

6 (3) The term "normal production" means the normal
7 yield multiplied by the acreage allotment for the farm, except
8 that in the case of a farm outside the commercial corn-
9 producing area such term means the normal yield multiplied
10 by the average acreage planted to corn on the farm during
11 the five marketing years preceding the marketing year in
12 which application is filed under this Act.

13 (4) The term "acreage allotment" includes a base
14 acreage for any year in which base acreages are in effect in
15 lieu of acreage allotments.

16 (5) The term "Secretary" means the Secretary of Agri-
17 culture.

18 SEC. 2. (a) The Secretary is authorized and directed,
19 upon application filed by an eligible corn producer, to make
20 available to such producer from corn owned by the Commod-
21 ity Credit Corporation an amount of corn not to exceed one-
22 third of the normal production of the farm operated by such
23 producer.

24 (b) Corn shall be made available to an eligible corn
25 producer under subsection (a) only upon the filing by such

1 producer of an application in such form as may be prescribed
2 by the Secretary stating that the corn applied for is intended
3 to be used by the applicant to feed livestock and poultry,
4 and the execution by the applicant of an agreement to either
5 (1) deliver to the Commodity Credit Corporation from the
6 crop planted within the marketing year within which such
7 application is filed an amount of corn equal to the amount
8 made available under subsection (a), or (2) to pay to the
9 Commodity Credit Corporation an amount equal to the value
10 of the corn made available under subsection (a) based upon
11 the support price paid to cooperators within the commercial
12 corn-producing area as of the date on which it was so made
13 available.

14 (c) The delivery or payment referred to in subsection
15 (b) shall be made at such time, not later than four months
16 after the end of the marketing year in which the application
17 was filed, as may be prescribed in the agreement, except
18 that in any case in which because of natural causes the yield
19 for the crop from which delivery is to be made to the Com-
20 modity Credit Corporation is less than 50 per centum of the
21 normal yield for the farm the Secretary is authorized to
22 grant such extension of the time for such delivery or payment
23 as he may deem necessary to avoid hardship.

24 SEC. 3. All expenses incurred in the removal of corn
25 from storage facilities or in the delivery or replacing of such

1 corn under this Act shall be borne by the applicant, and no
2 services shall be performed by the Commodity Credit Cor-
3 poration except upon agreement by the applicant to reim-
4 burse the Corporation for the cost of any such services.

5 SEC. 4. In the event of the failure of any person to
6 whom corn is made available under this Act to carry out
7 the terms of an agreement entered into under section 2 (b),
8 the Commodity Credit Corporation may bring suit in the
9 United States district court for the district in which such
10 person resides or is engaged in business to recover the value
11 of such corn, with interest at 6 per centum per annum from
12 the date of default. For such purpose the value of the corn
13 shall be based upon the support price paid to cooperators
14 within the commercial corn-producing area as of the date on
15 which the corn was made available.

A BILL

To authorize the Secretary of Agriculture to make available corn from Commodity Credit Corporation stocks to certain corn producers who require such corn for live-stock feed and who agree to replace such corn with corn from subsequent crops.

By Mr. CURTIS

FEBRUARY 22, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

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HIGHLIGHTS: Senate committee reported durum wheat allotment bill. Sens. Humphrey and Symington introduced and Sen. Humphrey discussed corn bill. Rep. Keating introduced and discussed bill to protect certain employees against assault and homicide. Sens. Watkins and O'Mahoney and Reps. Celler and Dixon introduced and Sen. Watkins and Rep. Dixon discussed bills to transfer regulation of meatpackers from USDA to FTC. Rep. Metcalf criticized Secretary's statement on farm income.

SENATE

1. WHEAT. The Agriculture and Forestry Committee reported with amendments S. 323, to increase acreage allotments for durum wheat (S. Rept. 97). p. 2205
Sen. Carlson discussed the proposal to change the wheat grading and parity price systems, and inserted two resolutions of the Smith County (Kan.) Farmer's Union, favoring full parity prices and opposing the changes in the wheat grading standards. pp. 2204-5
2. CONGRESSIONAL CORRESPONDENCE. Sen. Johnson deplored the leaking of information about letters to Congress from the departments, before the letters were received. pp. 2195-6
3. MIDDLE EAST. Continued the debate on S. J. Res. 19, to promote peace and stability in the Middle East. pp. 2195-2200, 2216, 2218, 2223-49.
4. WATER CONSERVATION. Both Houses received a joint resolution of the Montana Legislature urging settlement of the Crow Indian claims to allow immediate construction of Yellowtail dam on the Big Horn River. pp. 2201, 2257

5. FORESTS. Both Houses received a resolution of the Montana House urging legislation to allow a signboard to attract tourists to Frontier Town to be erected in the Helena National Forest. pp. 2201, 2263

Both Houses received a joint resolution of the Alaska Legislature urging that no relaxation be allowed in the laws and regulations prohibiting the export of logs from the National Forests from Alaska, to encourage the territorial manufacture of timber products. pp. 2203, 2263

6. ELECTRIFICATION. Received a joint resolution from the Alaska Legislature urging a study of electric power developments towards the construction by the United States of power projects. p. 2202

7. SMALL BUSINESS. Sen. Carlson stated there was an imperative need to provide part-time work for farmers in depressed areas through defense subcontracts and otherwise, and inserted a resolution of the Hays (Kan.) Chamber of Commerce urging such assistance for drought-stricken areas.

8. TAXATION. Sen. Wiley inserted additional replies to S. 769, his proposed bill to establish a Federal Tax Commission. pp. 2220-2

9. ORGANIZATION AND MANAGEMENT. Sen. Wiley urged that the Federal Government dispose of much of its landholdings and inserted an editorial approving his stand on this and other Hoover Commission recommendations. p. 2222

HOUSE

10. FORESTRY. Rep. Green inserted a newspaper editorial in support of her bills to extend the date for termination of Federal supervision over the Klamath Indian reservation. pp. 2259-60

11. PERSONNEL; LABOR STANDARDS. Rep. Roosevelt inserted his and Sen. McNamara's joint statement in support of legislation to shorten the industrial workweek from 40 to 35 hours. p. 2260

12. MONETARY POLICY. Rep. Patman spoke in favor of a comprehensive study of our monetary policy, and inserted his statement and a newspaper article in support of such a study. pp. 2260-61

13. WHEAT. Received Mont. Legislature memorials relative to wheat acreages and the Federal farm program and urging legislation for continuation of increased acreage allotments for durum wheat. p. 2263

14. ORGANIZATION AND MANAGEMENT. Received an Ind. Lions Club petition urging consideration of their resolution for implementation of the second Hoover Commission recommendations. p. 2263

15. CORN; FEED GRAINS. As reported (see Digest 29), H.R. 4901 provides as follows: Establishes a 1957 acreage allotment for corn in the commercial area of 43,200,000 acres (5,911,000 above the 1957 allotment previously announced). Directs the Secretary to carry out an acreage reserve program for 1957 for acreage diverted from the production of basic commodities, including corn (the purpose being to take out of production of feed grains land formerly planted to basics which has been diverted to feed grains). Sets up an acreage reserve program for feed grains designed primarily for areas where basic crops are not produced and which are, therefore, not eligible to participate in either the regular acreage reserve program or the program for diverted acres.

85TH CONGRESS
1ST SESSION

S. 1362

IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1957

Mr. HUMPHREY (for himself and Mr. SYMINGTON) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To provide for a minimum acreage allotment for corn and increased incentive for production adjustment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for any calendar year begin-
7 ning with 1957 shall not be less than fifty-one million
8 acres."

9 SEC. 2. Section 101 (d) of the Agricultural Act of
10 1949, as amended, is amended by adding at the end thereof
11 a new paragraph, as follows:

1 “(8) The level of price support for corn to cooperators
2 within the commercial corn-producing area for the 1957
3 crop shall be not less than \$1.50 per bushel for not to ex-
4 ceed sixteen thousand bushels produced by any one pro-
5 ducer.”

6 SEC. 3. Section 408 (b) of the Agricultural Act of
7 1949, as amended, is amended by inserting after the first
8 sentence thereof the following: “For the purpose of price
9 support in the commercial corn producing area for the 1957
10 crop and any subsequent crop of corn for which an acreage
11 reserve program is in effect, a ‘cooperator’ shall be a pro-
12 ducer (1) on whose farm the acreage planted to corn does
13 not exceed 85 per centum of the farm acreage allotment for
14 corn; and (2) who devotes an acreage of cropland (tilled
15 in normal rotation), at the option of the producer, to either
16 the acreage reserve program for corn or the conservation
17 reserve program equal to 15 per centum of such producer’s
18 farm acreage allotment for corn.”

19 SEC. 4. (a) The second sentence of section 301 (b)
20 (10) (A) of the Agricultural Adjustment Act of 1938, as
21 amended (relating to allowance for carry-over for the pur-
22 pose of computing normal supply), is amended by striking
23 out the words “15 per centum in the case of corn” and sub-
24 stituting therefor the words “30 per centum in the case of
25 corn”.

- 1 (b) The amendment made by this section shall be effec-
2 tive with respect to the marketing year beginning October 1,
3 1957, and subsequent marketing years.

A BILL

To provide for a minimum acreage allotment for corn and increased incentive for production adjustment.

By Mr. HUMPHREY and Mr. SYMINGTON

FEBRUARY 25, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

H. R. 5447

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 28, 1957

Mr. AUGUST H. ANDRESEN introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To provide for a minimum acreage allotment for corn, and other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for each of the calendar years
7 1957, 1958, and 1959 shall not be less than fifty-one million
8 acres."

9 SEC. 2. Price support shall be made available by Com-
10 modity Credit Corporation for the 1957 and subsequent
11 crops of corn at a level not less than 75 per centum of the

1 parity price therefor, as provided in the Agricultural Act
2 of 1949, as amended.

3 SEC. 3. Section 408 (b) of the Agricultural Act of
4 1949, as amended, is amended by inserting after the first
5 sentence thereof the following: "For the purpose of price
6 support in the commercial corn-producing area for any
7 crop of corn for which an acreage reserve program is in
8 effect, a 'cooperator' shall be a producer who (1) devotes
9 an acreage of cropland (tilled in normal rotation), at the
10 option of the producer, to either the acreage reserve pro-
11 gram for corn or the conservation reserve program, equal
12 to 15 per centum of such producer's farm allotment for
13 corn, and (2) does not exceed the farm acreage allotment
14 for corn."

A BILL

To provide for a minimum acreage allotment
for corn, and other purposes.

By Mr. AUGUST H. ANDRESEN

FEBRUARY 28, 1957

Referred to the Committee on Agriculture

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Feed grains.....1	River basin.....56	Wheat.....43
Foreign aid.....34	Roads.....28	

HIGHLIGHTS: House Rules Committee cleared corn bill. Rep. Cooley introduced bill to extend Public Law 480. Sen. Johnson urged passage of deferred grazing bill. Sen. Thye urged passage of 51 million acre corn bill, and inserted Secretary's letter.

HOUSE (Mar. 1)

1. CORN. The Rules Committee reported/a resolution for consideration of H.R. 4901, to establish a minimum acreage allotment for corn and to provide acreage reserve programs for diverted acres and for feed grains. p. 2716
2. INVESTIGATIONS. The Rules Committee reported H. Res. 157, authorizing the Agriculture Committee to make investigations into certain matters within its jurisdiction. p. 2716
3. RESEARCH. Rep. Anderson, Mont., spoke in favor of additional funds for grain disease research. pp. 2691-92
Received Mont. Legislature memorials favoring additional funds for grain disease research, and research on small grains. p. 2717
4. EXPENDITURES. Rep. Pelly spoke in support of H. Res. 170, to limit Federal spending in 1958 to \$65 billion. p. 2692
Rep. Hayes urged that the 1958 budget be cut. pp. 2692-93
5. RECLAMATION. Passed over on objection of Rep. Taber H.R. 2146, which provides that small reclamation projects must be approved by Congress before funds are appropriated for such projects. p. 2704

6. INVENTIONS. Passed over at the request of Rep. Smith, Va., H.R. 103, to authorize the National Inventors Council to make awards for inventive contributions relating to the national defense. p. 2705
7. MINERALS. Passed over at the request of Rep. Byrnes H.R. 3477, relating to moneys received from mineral lands in Alaska. p. 2706
8. FOREIGN TRADE. Rep. Bailey criticized the trade agreements program of the Administration, and credited Public Law 480 and the Agricultural Act of 1956 as being most helpful in the foreign disposal of agricultural surpluses. pp. 2708-10
9. MONETARY POLICIES. Rep. Patman spoke in favor of a congressional study of U. S. monetary policies, in preference to a study by a Presidential commission. p. 2711-13
10. EDUCATION. Rep. Natcher commended the work of the 4-H Clubs. p. 2714
11. CCC. Both Houses received the GAO audit report of the CCC for the 1955 fiscal year (H. Doc. 104). pp. 2715, 2611

SENATE

12. SMALL BUSINESS. Both Houses received the seventh semi-annual report of the Small Business Administration. pp. 2611, 2715
Sen. Carlson urged the subletting of defense contracts in farm areas in economic slumps, and inserted a resolution of the Russell, Kans., Chamber of Commerce, urging assistance for small industries in drought regions. p. 2614
13. HOUSING. Received a draft of proposed legislation to amend the National Housing Act, from the Housing and Home Finance Agency; to the Banking and Currency Committee. p. 2611
Received a memorial of the Nebr. legislature urging \$1 billion for veterans loans at 4½% or less. p. 2612
Received a resolution of the Mass. legislature urging an increase in the maximum ceiling income for all Federal housing projects. p. 2612
14. TOBACCO. Received a resolution of the Ga. Senate opposing the acreage poundage formula for tobacco allotments and favoring an increase in price from 18 to 23 cents per pound of tobacco going into the soil bank. p. 2612
15. STATEHOOD. Received a resolution from the Hawaiian legislature affirming the desire of Hawaii to become a state, and urging Congress to admit them. p. 2613
16. WATER POLLUTION. Sen. Kennedy presented a resolution of the Mass. House urging legislation to eliminate pollution in the Merrimack River. p. 2613
17. ACREAGE ALLOTMENTS. Sen. Thye presented a resolution of the State of Minn. urging increased sugar beet allotments for Minn. farmers. pp. 2613-4
18. SECURITY. Ordered printed the annual report on "Internal Security", from the Judiciary Committee (S. Rept. 131). p. 2614

CONSIDERATION OF H. R. 4901

MARCH 1, 1957.—Referred to the House Calendar and ordered to be printed

Mr. SMITH of Virginia, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 181]

The Committee on Rules, having had under consideration House Resolution 181, report the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 29

85TH CONGRESS
1ST SESSION

H. RES. 181

[Report No. 177]

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1957

Mr. SMITH of Virginia, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That upon the adoption of this resolution it
2 shall be in order to move that the House resolve itself into
3 the Committee of the Whole House on the State of the Union
4 for the consideration of the bill (H. R. 4901) to establish a
5 minimum acreage allotment for corn, to provide acreage re-
6 serve programs for diverted acres and for feed grains, and
7 for other purposes. After general debate, which shall be
8 confined to the bill and continue not to exceed six hours, to
9 be equally divided and controlled by the chairman and rank-
10 ing minority member of the Committee on Agriculture, the
11 bill shall be read for amendment under the five-minute rule.
12 It shall be in order to consider without the intervention of

1 any point of order any amendment otherwise germane to the
 2 bill that may include language pertaining to price support
 3 provisions of existing law. At the conclusion of the con-
 4 sideration of the bill for amendment, the Committee shall
 5 rise and report the bill to the House with such amendments
 6 as may have been adopted and the previous question shall
 7 be considered as ordered on the bill and amendments thereto
 8 to final passage without intervening motion except one
 9 motion to recommit with or without instructions.

REPORT OF THE
COMMISSIONERS OF THE LAND OFFICE
OF THE STATE OF NEW YORK
FOR THE YEAR 1881

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RESOLUTION

(Passed May 1881)

H. REC. 181

State of New York

85TH CONGRESS
1ST SESSION

H. RES. 181

[Report No. 177]

RESOLUTION

Providing for the consideration of H. R. 4901, a bill to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

By Mr. SMITH of Virginia

MARCH 1, 1957

Referred to the House Calendar and ordered to be printed

S. 1449

AN ACT TO

SECTION 1

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A BILL

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SECTION 10

85TH CONGRESS
1ST SESSION

S. 1449

IN THE SENATE OF THE UNITED STATES

MARCH 2, 1957

Mr. THYE (for himself and Mr. CAPEHART) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To provide for a minimum acreage allotment for corn, and other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 328 of the Agricultural Adjustment Act of
4 1938, as amended, is amended by adding at the end thereof
5 the following: "Notwithstanding any other provision hereof,
6 the acreage allotment for corn for each of the calendar years
7 1957, 1958, and 1959 shall not be less than fifty-one million
8 acres."

9 SEC. 2. Price support shall be made available by Com-
10 modity Credit Corporation for the 1957 and subsequent
11 crops of corn at a level not less than 75 per centum of the

1 parity price therefor, as provided in the Agricultural Act
2 of 1949, as amended.

3 SEC. 3. Section 408 (b) of the Agricultural Act of
4 1949, as amended, is amended by inserting after the first
5 sentence thereof the following: "For the purpose of price
6 support in the commercial corn-producing area for any
7 crop of corn for which an acreage reserve program is in
8 effect, a 'cooperator' shall be a producer who (1) devotes
9 an acreage of cropland (tilled in normal rotation), at the
10 option of the producer, to either the acreage reserve pro-
11 gram for corn or the conservation reserve program, equal
12 to 15 per centum of such producer's farm allotment for
13 corn, and (2) does not exceed the farm acreage allotment
14 for corn."

A BILL

To provide for a minimum acreage allotment
for corn, and other purposes.

By Mr. THYE and Mr. CARPENT

MARCH 2, 1957

Read twice and referred to the Committee on
Agriculture and Forestry

85TH CONGRESS
1ST SESSION

H. R. 5600

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 1957

Mr. HARRISON of Nebraska introduced the following bill; which was referred to the Committee on Agriculture

A BILL

To enable corn producers to participate in the 1957 soil bank and price-support program, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That notwithstanding any other provision of law, section 103
4 of the Agricultural Act of 1956 (Public Law 540, Eighty-
5 fourth Congress) is amended by adding a new subsection
6 (c) as follows:

7 “(c) For the 1957 crop year, corn producers in the
8 commercial corn area may qualify for price support on corn
9 and participate in the soil bank program by complying, in
10 accordance with regulations issued by the Secretary of Agri-
11 culture, with either of the alternatives presented to producers

1 in the corn referendum dated December 11, 1956, pursuant
 2 to the provision of the Agricultural Act of 1956 (Public
 3 Law 540, Eighty-fourth Congress) and price support in the
 4 noncommercial corn area shall be $82\frac{1}{2}$ per centum of the
 5 average of the price support in the commercial corn area as
 6 estimated by the Secretary of Agriculture."

85TH CONGRESS
 1ST Session

H. R. 5600

A BILL

To enable corn producers to participate in the
 1957 soil bank and price-support program,
 and for other purposes.

By Mr. HARRISON of Nebraska

MARCH 5, 1957

Referred to the Committee on Agriculture

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 7, 1957
For actions of March 6, 1957
85th-1st, No. 39

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HIGHLIGHTS: House debated corn bill. House received USDA proposed bills for drought relief. 11 Reps. introduced and various ones discussed bills to provide tax relief for small business and family-size farms.

HOUSE

1. CORN. Began debate on H.R. 4901, to establish a minimum acreage allotment for corn and to provide acreage reserve programs for diverted areas and for feed grains. Pending at the conclusion of general debate on the bill was an amendment by Rep. Andresen to substitute the language of his bill (H.R. 3011) for that of H.R. 4901. pp. 2818-53
2. FOREIGN AID. The Rules Committee reported a resolution for consideration today of H.J. Res. 117, to promote the peace and stability of the Middle East. pp. 2815-16, 2817, 2818, 2872
3. HOUSING. The Rules Committee reported a resolution for consideration of H.R. 4602, to encourage new residential construction for veterans' housing in rural areas and small cities and towns. pp. 2872, 2818
4. DROUGHT RELIEF. Received from this Department proposed bills to implement the President's proposals for relief in drought stricken areas (see Digest No. 38 for details of these proposals); to Agriculture Committee. p. 2872
5. EXPENDITURES. Rep. Gavin urged Federal aid for natural resource development in preference to foreign aid. p. 2824

6. SMALL BUSINESS. Rep. Curtis discussed the problems of and urged relief for small business. pp. 2853-55
7. INFORMATION. Rep. Haley stated that the Defense Department has made certain information on the Cordiner Report recommending employee pay increases available to the press before it is available to Congress. p. 2856
8. FLOOD CONTROL. Rep. Philbin discussed the progress made in developing flood control measures in Mass. pp. 2869-70
9. RESEARCH. Received a S. Dak. memorial favoring increased funds for rust control and plant research. p. 2874
10. APPROPRIATIONS. The "Daily Digest" states that conferees met on H.R. 4249, the urgent deficiency appropriation bill for 1957, "but did not complete their work and will meet again Mon., Mar. 11." p. D170
11. FOREIGN AFFAIRS. Received from the State Department a report on the extent and disposition of U. S. contributions to international organizations for 1956 (H. Doc. 112). p. 2872

SENATE

12. CORN. Agriculture and Forestry Committee, meeting in executive session, discussed corn legislation but took no action. p. D167
13. POULTRY. Agriculture and Forestry Committee agreed to proceed with a study of the poultry industry as authorized by S. Res. 98. The Committee also discussed compulsory inspection of poultry but took no action. p. D167
14. DROUGHT RELIEF. Agriculture and Forestry Committee agreed that subcommittee should conduct hearings on drought relief bills. p. D167

ITEMS IN APPENDIX

15. WATER RESOURCES. Rep. Aspinall inserted a lecture by ex-Rep. Murdock on the developments in the search for ways "to make more good water available for use." pp. A1769-71
16. CORN. Rep. McGregor inserted a statement by the President of the National Federation of Independent Farm Organizations, opposing H.R. 4901 and H.R. 3011, the corn bills reported to the House, urging an end to controls on the farmer, and asking greater distinction in legislation between hard and soft wheats. p. A1771
17. ELECTRIFICATION. Extension of remarks of Rep. Scudder in favor of the power partnership proposal on the Trinity River project, as "an extraordinarily profitable venture for the Federal Government." He inserted statements by the California State Chamber of Commerce and Ralph A. Tudor, former Under Secretary of the Interior, in favor of partnership development. pp. A1774-5
Extension of remarks of Rep. Evins criticizing the Administration for encouraging public power projects overseas but not at home, and inserted an article by Thomas Stokes which pointed to nearly \$1 billion in loans by the World Bank, for electric power development, while the Administration "is fighting public development of our own water resources." pp. A1786-7

Today the Gold Coast, West African British colony, becomes the free nation of Ghana and a member of the Commonwealth of Nations. Her position is similar to that of other commonwealth nations such as Canada, Australia, and India.

The creation of a new independent Negro nation marks a proud achievement for the Negro race. Ghana is the first Negro nation to become a member of the Commonwealth of Nations. This is a significant step in the creation of a commonwealth of many races on a basis of equality. Her constitution provides for freedom of religion, universal suffrage, and the outlawing of racial discrimination.

Ghana is expected to have a consulate in Boston.

Americans have a special reason for appreciating Ghana's Independence Day and extending wholehearted congratulations. America also achieved independence after having been a British colony. America cherishes her own Independence Day as her greatest national holiday. The advice given by John Adams, Founding Father and our second President, on the celebration of our Independence Day may be appropriate for the people of Ghana also. He said:

It will be celebrated by succeeding generations as the great anniversary festival. * * * It ought to be solemnized with pomp and parade, with shows, games and sports, guns, bells, bonfires and illuminations, from one end of this continent to the other, from this time forward, forevermore.

Ghana's Independence Day is an example of the steady progress of freedom among the freedom-loving nations of the world which are not ruled by the iron hand of dictatorship. The people of Ghana join the 700 million other people of the free world who have achieved independence during the past decade and a half, during which time the Soviet and Chinese Communists have imposed dominance and dependence on about the same number.

Ghana's independence also shows that national aspirations can be achieved without resort to the false doctrines and cruel actions of communism.

March 6, 1957, will go down in history as a date marking a great forward step in the advance of freedom among the nations of the world.

Mr. O'HARA of Illinois. Mr. Speaker, to my constituents back in the Second District of Illinois there is great rejoicing at the independence that has come to the people of Ghana, the first commonwealth of the British Empire to be self-governed by its Negro population.

Two of the wards in my district are represented by Negro aldermen, the Honorable Claude W. Holman and the Honorable Sidney A. Jones, Jr., and in statesmanship, integrity and devotion to the public interest they rank among the greatest of the great men who are serving and who have served in the legislative body of the city of Chicago. Alderman Holman also is the Democratic committeeman of the fourth ward and it is due to him that during the brief space of his service as ward leader and as alderman in the city council more public improve-

ments have come to the fourth ward than had been affected in the quarter of a century preceding.

The Democratic committeeman of the sixth ward, the Honorable Robert E. Miller, also of the Negro race, has given to that great ward a leadership that has brought a civic development in that community that has won the plaudits not only of the people of the ward but of the people of the entire city of Chicago.

I am happy to announce to the House my performance of the happy mission entrusted to me by Aldermen Holman and Jones and Committeeman Miller in preparing a message from our people to the people of Ghana, which today is being broadcast in Ghana by the World Broadcasting Co. The message follows:

In the heart of every American there is joy that on March 6 of the year 1957 there will have come to the freedom-loving people of Ghana the priceless treasure of independence. Forever March 6 will be an anniversary date of celebration for all peoples everywhere who love freedom and who know that in the climate of freedom the horizons ever are broadening and the dignity of man brought closer to the plane intended by the God of us all. In my district on the South Side of the city of Chicago in Illinois, as in many other congressional districts in the United States, are many fine men and women, our fellow Americans in the task of making this our country a better land for all men, whose ancestors came from this rich domain now at long last again to take its proud place in the community of free nations.

When Ghana, unshackled from the old colonial chains, goes forward in national independence to a great future in a rebuilt world, the men, women, and children in my district and in other congressional districts of the United States will give thanks for the triumph that has culminated the long and courageous struggle of the people of Ghana, thanks that in the independent State of Ghana, the first colony south of the Sahara to attain independence, the torch of freedom will be borne by the sons and daughters of freedom to light the way for all of Africa into a new day of equality, of brotherhood, and of human dignity. To the Government and the people of Ghana, our salute to victory and our affection that in companionship we shall go forward together so that all the good works of free people will endure forever.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The resolution was agreed to, and a motion to reconsider was laid on the table.

MIDDLE EAST ECONOMIC AND MILITARY COOPERATION

Mr. McCORMACK. Mr. Speaker, I renew the unanimous-consent request heretofore made.

The SPEAKER. At what time will the order be good, the Chair would like to know?

Mr. McCORMACK. After disposition of the corn bill.

The SPEAKER. The Clerk will report the unanimous-consent request.

The Clerk read as follows:

Ordered, That immediately upon the adoption of this order the joint resolution, House Joint Resolution 117, with the Senate amendments thereto, be, and the same here-

by is, taken from the Speaker's table to the end that the Senate amendments be, and the same are hereby, agreed to.

Mr. VORYS. Mr. Speaker, reserving the right to object, would the gentleman from Massachusetts, the majority floor leader, proceed to seek a rule so that this matter could be disposed of early tomorrow?

Mr. McCORMACK. The gentleman from Massachusetts in an effort to bring this matter to a head has submitted a unanimous consent request. The gentleman from Massachusetts is not one who goes up the hill and down the hill at the same time. The gentleman can object if he wants to. I have made a promise, and I keep my promise, and if there is any misunderstanding, I stick to my promise despite any misunderstanding.

Mr. VORYS. What is the promise?

Mr. McCORMACK. My promise is, if this is agreed to, that the matter will come up after the disposition of the corn bill. If anybody has any views to the contrary, he has a perfect right to exercise his rights.

Mr. MASON. Mr. Speaker, I want to know definitely when that resolution or when that conference report or whatever you call it is to be brought up, because there are a great many of us who want to be here and want to vote "no."

The SPEAKER. The gentleman objects?

Mr. MASON. I do. Until I know definitely when that is to be brought up, I will object.

Mr. McCORMACK. The gentleman from Massachusetts has said—and I do not think I can make it any plainer—that it will be brought up after the disposition of the corn bill. I think that is plain.

Mr. MASON. That is indefinite.

Mr. McCORMACK. It will be the next order of business after the disposition of the corn bill.

Mr. MASON. May I ask whether that will be tomorrow night or the following night or the following afternoon or when it will be?

Mr. McCORMACK. That is a matter that is within the will of the House.

Mr. MASON. That is purely indefinite.

Mr. McCORMACK. No.

Mr. MASON. And I object.

The SPEAKER. Objection is heard.

COMMITTEE ON RULES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a report.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

GHANA

Mr. GORDON. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks in the RECORD immediately prior to the adoption of the Ghana resolution.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

CORN AND FEED GRAIN PROGRAM

Mr. SMITH of Virginia. Mr. Speaker, I call up House Resolution 181 and ask for its immediate consideration.

CALL OF THE HOUSE

Mr. ABERNETHY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 13]

Allen, Calif.	Dorn, S. C.	Patman
Ashley	Eberharter	Powell
Barden	Fallon	Preston
Barrett	Fascell	Prouty
Belcher	Fisher	Rivers
Bolton	Friedel	Shelley
Bowler	Garmatz	Sheppard
Bray	Gary	Slominski
Breeding	Gray	Siler
Buckley	Gubser	Staggers
Byrnes, Wis.	Jackson	Steed
Celler	Kee	Thomson, Wyo.
Dawson, Ill.	McFall	Ullman
Dennison	Macdonald	Wilson, Calif.
Dies	Mailliard	Zelenko
Diggs	Metcalf	
Donohue	Morrison	

The SPEAKER. On this rollcall 380 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

RESIDENTIAL CONSTRUCTION FOR VETERANS' HOUSING

Mr. SMITH of Virginia, from the Committee on Rules, reported the following privileged resolution (H. Res. 187, Rept. No. 182), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for consideration of the bill (H. R. 4602) to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from \$10,000 to \$12,500, to authorize advance financing commitments, to extend the direct loan program for veterans, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CORN AND FEED GRAIN PROGRAM

The SPEAKER. The gentleman from Virginia [Mr. SMITH] is recognized.

Mr. SMITH of Virginia. Mr. Speaker, I ask that the Clerk report the resolution.

The Clerk read as follows:

Resolution, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4901) to establish a minimum acreage allotment of corn, to provide acreage-reserve programs for diverted acres and for feed grains, and for other purposes. After general debate, which shall be confined to the bill and continue not to exceed 6 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order any amendment otherwise germane to the bill that may include language pertaining to price-support provisions of existing law. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. SMITH of Virginia. Mr. Speaker, I yield 30 minutes to the gentleman from Illinois [Mr. ALLEN] and yield myself 10 minutes. I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the majority leader, the gentleman from Massachusetts [Mr. McCORMACK].

MIDDLE EAST ECONOMIC AND MILITARY COOPERATION

Mr. McCORMACK. Mr. Speaker, I desire to announce to the House that the first order of business tomorrow, if the Committee on Rules should report out a rule making it in order, will be the Middle East resolution and the question of concurring in the Senate amendments thereto. We have in mind that will be the first order of business if we meet at 12 o'clock, or if the unanimous-consent request I am about to make is agreed to, and we meet at 11 o'clock.

Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet tomorrow at 11 o'clock.

Mr. GROSS. Mr. Speaker, reserving the right to object, and I shall not object, I simply want the record to show I am still opposed to putting the Middle East resolution ahead of a vitally necessary corn program.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CORN AND FEED GRAIN PROGRAM

Mr. SMITH of Virginia. Mr. Speaker, this is a rule making in order the controversial corn allotment bill that comes from the Committee on Agriculture. You may know that there are three bills floating around here. One is a bill from the majority members of the Committee on Agriculture, another from the minority members of the Committee on Agriculture, and a third bill proposed by the Secretary of Agriculture which I am informed no one as yet has had the temerity to introduce in the House. This situation is so confusing that I doubt if anybody understands too much about it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. Of course, the gentleman is always eminently fair. It is true that the Secretary earlier made certain recommendations which the gentleman has referred to, but as of today, I know it to be a fact, that the Secretary is endorsing and supporting the Andresen bill.

Mr. SMITH of Virginia. I am glad to get that information. I think the more information we get on the subject the better off we will all be.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to say that this is the first information I have received to the effect that the Secretary is supporting the Andresen bill. I know that the Secretary sent a bill to the Speaker of the House which the Speaker of the House referred to the Committee on Agriculture. I shopped around for 2 or 3 weeks trying to get somebody to introduce the bill but up to date nobody has introduced it.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I will not yield further on that subject because the gentleman from Indiana, the gentleman from North Carolina, and myself are all out of order due to the fact the bill is not now before the House. I want to talk about what is before the House. I think that will give you plenty to talk about for 2 or 3 days to come.

You will remember that last year we had a soil-bank bill up for consideration. That bill came to the Rules Committee. I think they had to come back there with three different bills before the Rules Committee would finally give clearance for consideration on the floor of the House of any bill. We thought in the Rules Committee in our ignorance that that was going to solve all of the problems of the soil bank, control of crops, and so forth, and that everything was going to be lovely. But here we are confronted with another bill. I do not know how much the soil-bank bill will cost, but it goes up into the hundreds of millions of dollars.

Mr. BASS of Tennessee. It is the soil-bank bill.

Mr. SMITH of Virginia. The soil-bank bill, the one that was going to solve all of the problems last year.

We have this bill up again which is going to put under crop control a number of other grains, such as barley, oats, milo, soy beans, and various and sundry things. I have read the report of the committee, but I do not know what the committee thinks it is going to cost. The estimates vary from \$125 million to 300 and some million dollars.

The question of authorizing this great expenditure of money is the subject I want to discuss out of order in a few minutes. We have a lot of agricultural programs. We started off by killing little pigs, then we started turning under crops, then we painted potatoes. I do not know what all we have been doing. But the problem always comes back every year, that it has not been solved. I think it is about time that we stopped this, the idea that the appropriation of funds and giving money to the farmer is going to solve all his difficulties. I am getting rather tired of it myself, and I have a farming area of 20 counties in Virginia. And, it is a good farming area, of good and intelligent farmers, and endowed with a lot of good common horsesense.

I was astonished to learn the other day in these hearings that the net take-home income of all the farmers in all the 48 States of the United States is a little over \$10 billion, and I find upon looking at the budget that the cost of running the Agriculture Department with all these things we are doing is something like \$5 billion, just about half of the net income of all the farmers. Now, I have got a lot of sensible farmers down in my district. They read all these things about take-home pay and increased wages for everybody else and minimum wages for everybody else. What I am afraid of is when I go home some of these smart farmers down there, having read about their net income being \$10 billion and that we are spending \$5 billion to rehabilitate them, will ask me "Why don't you just take that \$5 billion and distribute it amongst them and increase their take-home pay by 50 percent and just call it a day?" Well, I know there is an answer to that, but I do not want to have to answer it now. Some of you gentlemen on the Committee on Agriculture know more about this subject than I do and probably are in a better fix to do it. But, with all the confusion that exists around this whole subject, I do not think we ought to be rushed into something unless we understand pretty well what it is going to do and how much it is going to cost.

The conclusion that I have reached in my own mind as to the best thing we can do is to send this thing back to the Committee on Agriculture and ask them, please, in our interest as well as their own, and in the interest of the farmers to make up their minds what is the answer to this problem and let us know, and then we may have something that we can get together on.

Now I want to discuss this from another angle. I have observed this year more deep and sincere and honest interest on the part of the membership of this

House in reducing this budget than I have ever seen in the nearly three decades that I have been in the Congress. I know you Members are serious about it. I know you want to cut this budget, and I know you want to cut these appropriations. And, there is plenty of room to cut them. But, I want to call your attention to one thing in connection with his bill, and that is authorizations for appropriations. Now, I know that the White House is getting a lot of letters complaining about this great budget of the President. It is enormous. I think the President should have told us how to cut it. He did not do it. But, I do not think that we can alibi ourselves out of this huge budget when election time rolls around by saying that President Eisenhower did this. In the first place, the President does not appropriate any money. The President does not authorize the appropriation of any money, and the whole thing starts right here in the well of this House when you vote for these authorizations. We are constantly confronted and the hopper is full of bills which call for authorizations for appropriations for this and that and the other, and if you keep on doing that and sending them down to the Bureau of the Budget, the Bureau of the Budget has a mandate from you to recommend appropriations for those things. Now, do not let us try to alibi ourselves out of this situation. There is only one place where this thing can be stopped, and that is right here in this House, and the question is whether we are going to have enough courage to stand up and cut these authorizations and stand up and vote for reductions in these appropriations, and that means vote for cuts in appropriations where it is going to hurt, namely in our own districts. I think the people of this country have now arrived at the point where they want to do that very thing. I think they have begun to realize that this ruinous inflation is going to keep on as long as we continue to authorize appropriations for this, that, and the other, and then appropriate the money to carry them out. And they are coming to realize that they cannot get the much needed tax reduction, until we cut appropriations.

Of course, there are lots of places where you can cut this budget. I want to tell you a little fish story—no, this is a big fish story. There came to my desk the other day this document. Do you know what it is? It is a national survey of all of you fishermen; who went fishing, how long they fished, where they fished, how far they traveled, how old they were when they fished—everything but how many fish they caught. But knowing that these fishermen have such a bad reputation for truth and veracity, I think they just left out the information about how many fish a fellow caught.

I would like you to look at this elaborate, costly document. In perusing it I found out that the Department hired 300 expert opinion takers who canvassed the country for 2 months to get the data upon which another horde of officeholders produced this wonderful piece of work here. That is the type of thing

that is going on in all of these departments.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. Is the gentleman a fisherman?

Mr. GROSS. Yes.

Mr. SMITH of Virginia. I yield.

Mr. GROSS. I have been fishing for some economy around here for a long time. I am sorry I did not know the gentleman was going to exhibit that particular document because I would have liked to exhibit the program that was circulated by the Department of State when the cornerstone for the new \$57 million Department of State Building was laid early in January. It is a plush publication, too.

Mr. SMITH of Virginia. I brought this over just as a sample. You will find many more cases like it. I remember 2 or 3 years ago that I brought over to show you a very elaborate work on the love life of the raccoon.

Now, I am serious about this. This could not have cost less than \$200,000 or \$300,000. That sort of thing ought to be stopped. I realize how difficult it is for the Committee on Appropriations to do that. They do not know anything about this fish story. After all is said and done, what it amounts to is that it is the biggest and most expensive and most elaborate fish story that ever was told and constitutes the greatest collection of useless information on the subject ever put together.

Mr. H. CARL ANDERSEN. Mr. Speaker, would the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman.

Mr. H. CARL ANDERSEN. Which department issued that? Was it not the Department of the Interior?

Mr. SMITH of Virginia. Yes.

Mr. H. CARL ANDERSEN. I thank the gentleman.

Mr. SMITH of Virginia. Mr. Speaker, how many of you have any idea about these grants that are going to educational institutions over the country, and who is making them? They could not grant any of the taxpayers' money if we had not authorized it. But do you know that grants are being made to various and sundry educational institutions all over the country? I do not know how many more of them there are, but I know that they have been made by the following departments and agencies:

The Army makes them. The Navy makes them. The Atomic Energy Commission makes them. The Air Force makes them. The National Science Foundation makes them. The Public Health Service makes them. The National Institutes of Health makes them. The Army Signal Corps makes them. And, lo and behold, the Federal Trade Commission is making them.

One of these agencies will grant so many thousands of dollars or hundreds of thousands of dollars to a certain educational institution for research on the subject of—what have you? I happen to know of one institution that I am told received grants from these Government agencies totaling \$1,500,000 within 6 months.

We dish out the money to these departments to make these researches, and we tell them, "Go ahead, and we will give you \$100 million." So they have to spread the money around, and they do spread it around. Why do we not be a little bit more careful about these things?

Coming back to the Department of Agriculture, which I mentioned a few minutes ago, I told you some of our farmers might think we could give them a raise in take-home pay of 50 percent. I said that the Agriculture Department would spend this year about \$5 billion. But these payrolls are continually increasing. I see in the budget for the Agriculture Department this year—and I saw this in a newspaper—that the Agriculture Department is asking for 4,556 new employees. That costs a lot of money. That will run into the millions.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Illinois.

Mr. ARENDS. Let me say to the gentleman from Virginia that I think most of us are cognizant of the business ahead of trying to economize during this session of Congress, but it goes a little bit further than what the gentleman was saying about cutting the proposed budget. How far will the Congress go toward stopping the initiation of new projects that show up in the budget or are later proposed by Members? How many Members will stand up to this business of putting a halt to the starting of new projects?

Mr. SMITH of Virginia. That is what I have been talking about. That is what we call authorization. If you do not authorize them the appropriation bills cannot appropriate and the Bureau of the Budget cannot put them in the budget and the President cannot send them up here. It is up to the Congress whether you are going to continue these authorizations or cut down on them. It is up to the Congress whether you are going to cut these appropriation bills.

I know that the Committee on Appropriations is doing a wonderful job. They are doing a killing job. They have to go through the whole budget and see where they can cut. I know they are trying to do it. We ought to give them all the help we can. I know the Agricultural Committee is just having a terrible problem dealing with their problems. They have people all over the United States, farmers and nonfarmers, telling them what to do. With all these cockeyed ideas presented to them, it is a wonder to me they do not go crazy. They have my deepest sympathy, and I know they are doing the best they can.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Indiana.

Mr. HALLECK. I commend the gentleman on the statement he is making for economy. In all seriousness may I say that from my observation of him here I have found that he is one man who is ready to back up with action what he says on the floor. I am very sure, although the gentleman has not said so, he is going to support the Andresen sub-

stitute for the Cooley bill, because the Cooley bill would spend several hundred million dollars in a way and a fashion and with an effect nobody knows anything about. So if we want economy, the way to get it is to vote for the Andresen substitute.

Mr. SMITH of Virginia. I do not want to get into politics on this thing. I am not interested in politics on the subject I am talking about, which is economy. I do not think there ought to be any politics in it. May I say to my friend that he does not know whether it will cost \$750 million to put into effect the committee bill. The committee says the greatest amount it can spend is \$300 million. Goodness knows, I do not see how the gentleman can say what the Andresen bill is going to cost. All I am saying is that the matter is in such a state of utter confusion that I do not propose to support either one of them.

Mr. MORANO. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from Connecticut.

Mr. MORANO. Do I correctly understand, then, that the gentleman might be opposed to this rule?

Mr. SMITH of Virginia. I have not said so. No; I am not opposed to the rule. If you want to argue this matter for a couple of days, maybe some of us will learn something about it.

Mr. REED. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield to the gentleman from New York.

Mr. REED. I commend the gentleman on his fine speech in regard to saving money. I think my record stands out in that respect over the years. But I do want to say this: We condemn these projects and say we should give them up. I have in my district cases where there have been terrific floods which have swept through my town, and people have been washed out of their homes; yet we can send money abroad to pour in many of these ratholes, and we do not hear much about saving money there. I do believe and I shall continue to believe that when we have meritorious projects at home here we should take care of them, but we can find plenty of places where we can also save money and should save money.

Mr. SMITH of Virginia. We talk about meritorious proposals and projects in our home districts. I have never seen a Member here in the House of Representatives with a project for his home district that he did not think was meritorious. We think all our projects are meritorious, but we have to start cutting somewhere, and the best place to cut is where it hurts.

Mr. REED. Yes; but when you see your people washed away, and when you see the floods coming down, it is a terrible thing. The gentleman knows what I am talking about.

Mr. SMITH of Virginia. I know, my friend, and I appreciate your sympathy for your constituents. I have the same feeling for my constituents. May I add that I know of no Member of this body who has a finer record for sound Government, sane taxes, and rigid economy

than my good friend from New York [Mr. REED].

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. SMITH of Virginia. I yield.

Mr. GAVIN. I just want to say a word in defense of the fish and wildlife with reference to this statistical booklet that you presented here a moment ago.

Mr. SMITH of Virginia. The gentleman did not qualify. Are you a fisherman?

Mr. GAVIN. No; I cannot say I am a regular fisherman. I like to fish whenever I have the time available. It is a great sport, enjoyed by hundreds of thousands of Americans. The gentleman made reference to a certain statistical booklet on fishing in his statement. I just want to comment that the fishermen of the Nation need no defense from me, nor does Fish and Wildlife of Interior, and I assume they published this booklet. They turn in a fine performance. The example used here today is a very small item in the overall budget of some seventy-two billion dollars. I just want to say to the gentleman that, in my opinion, the more of the youths of this Nation that we can get out into our national forests, our recreational areas in our woods, and out on fishing streams to catch a few trout, the better and finer American citizens we will have in the future, so if any little booklet will help do this, in my opinion it should be commended.

The SPEAKER pro tempore. The time of the gentleman from Virginia has expired.

Mr. GAVIN. Mr. Speaker, will the gentleman take an additional minute?

Mr. SMITH of Virginia. I do not yield further to the gentleman.

Mr. Speaker, I yield myself 2 additional minutes. I now yield to the gentleman from Mississippi.

Mr. GAVIN. But I have not asked the gentleman the question that I wanted to ask him.

Mr. SMITH of Virginia. The gentleman was making a speech and, of course, he realizes that we do not have too much time.

Mr. GAVIN. I think the gentleman should discuss the \$4 billion foreign-aid program rather than a booklet on fishing. Let me ask the gentleman about that. My record is clear. I have voted consistently against foreign aid for the last 10 years or more. How does the gentleman stand on foreign aid and on the \$4 billion appropriation? What is your position on that? The gentleman is shooting at little items here and there and missing the big targets. How is the gentleman going to vote on foreign aid and how have you voted on foreign aid in the past?

Mr. SMITH of Virginia. Now, has the gentleman completed his question? I always like to be frank and I want to say to the gentleman I do not reckon there is anybody in the House of Representatives who has made more mistakes than I have, and I expect to keep on making them, and if I do make mistakes I will confess them. But, to answer the gentleman's question specifically, when the Marshall plan was proposed and

when the European countries were on their backs economically and the people were starving; when they needed rehabilitation, I voted for the Marshall plan. I voted for it as long as I thought it was needed to rehabilitate the European countries. But, in the last 3 or 4 years, I have voted against it because I do not think we can continue forever as a permanent thing to carry the rest of the world on our shoulders.

The SPEAKER pro tempore. The gentleman from Virginia has consumed 22 minutes.

Mr. ALLEN of Illinois. Mr. Speaker, I yield myself such time as I may require.

Mr. ALLEN of Illinois. Mr. Speaker, I am sure all of us appreciate the remarks of our esteemed colleague from Virginia [Mr. SMITH]. Along with the witticisms and humor, I feel that all of us were well aware of the seriousness of his statements, particularly in regard to Federal expenditures.

Mr. Speaker, I am certain I need not mention that all Members of Congress are receiving innumerable letters from outstanding people back home, emphasizing the importance of drastically reducing governmental expenditures. I do not know your replies, but I have every reason to believe that all, or most of you, agree with your constituents—and state that you are doing everything within your power to reduce these expenditures.

Today we have before us a program for agriculture, which calls for an additional expenditure of nearly \$1 billion—and, in my opinion, the great majority of farmers are opposed to it.

For instance, the Illinois Agricultural Association opposes the Cooley-Poage soil-bank bill. This great organization, with over 200,000 members, telegraphed me that it will not result in any reduction of basic crops—that it is highly controversial, and cannot be enacted quickly, if at all. Corn will already be planted before the measure could become effective. It will require greatly increased funds. It is doubtful if bases or allotments for feed grains can be established in time to affect 1957 crops. We favor simple legislation which can be enacted quickly. Otherwise, farmers will be asked to disk down corn again this year.

On February 25 of this year I discussed the Cooley-Poage bill with a high official of the American Farm Bureau Federation. He told me that the American Farm Bureau Federation is opposed to the bill because it would ruin the corn farmer; that the bill is nothing more than a raid on the United States Treasury. I have every reason to believe that if Congress passes H. R. 4901 the American Farm Bureau Federation will recommend that the President of the United States veto it.

I need not state that the bill that will presently be before us is an extremely expensive one—and is extremely controversial. It was reported out of the Agriculture Committee by a vote of 17 to 16.

In talking with several members of the Agriculture Committee and officials of the American Farm Bureau Federation, I was told that the Agriculture Committee was confronted with but two im-

mediate problems—one being the drought situation—the other, immediate legislation regarding the corn situation.

As you are aware, legislation dealing with the drought was approved unanimously by the Agriculture Committee—has passed the House of Representatives—and is now before the United States Senate awaiting action.

The corn farmer is in trouble. Ask any farmer from the commercial corn area. They do not believe the Cooley bill will help them.

Therefore, I respectfully request that the Andresen bill be substituted for the Cooley-Poage bill. It will be of great benefit to the corn farmer—will help solve the agricultural problem in general—and will be less expensive.

In conclusion, Mr. Speaker, let us by action, not by mere words, show the taxpayers that we mean what we say when we write them that we favor drastic reductions in Federal expenditures. It is rather difficult for us to justify our statement that we favor a reduction in Federal expenditures and then act to increase them by voting for a measure which will only serve as another outlet for a Treasury raid and will not, I repeat, will not assist those who are in a very serious plight, namely, the corn farmers in the 14 commercial corn States.

I believe the American taxpayers, including the farmers, will be watching the action and the vote of all of us.

Briefly, we heard mention of cutting down the foreign aid program, I believe from someone on the right side of the aisle. I can tell you that I as an individual will certainly vote for a drastic reduction in the foreign aid bill. I know that whenever we get letters from any group at home asking that something be done for them they say, why do you not give it to us? You are giving it to others in foreign aid. That, in my opinion, is no argument for a pork barrel bill. All bills should stand on their respective merits. I declare and reiterate that I think and I hope we will drastically reduce our obligations under this bill.

Mr. JONES of Missouri. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. Did I understand the gentleman to make the statement that the Farm Bureau would recommend or would not recommend a veto of this bill?

Mr. ALLEN of Illinois. I thank the gentleman. I certainly want to make myself clear. In my opinion the American Farm Bureau will recommend that the President veto this so-called Cooley-Poage bill.

Mr. JONES of Missouri. And the President does what the Farm Bureau recommends?

Mr. ALLEN of Illinois. I did not say that. I said that the American Farm Bureau is a very large organization and would make this recommendation to the President.

Mr. JONES of Missouri. Will the gentleman yield for a further question?

Mr. ALLEN of Illinois. I yield.

Mr. JONES of Missouri. Speaking of the bill H. R. 4901 being a raid on the

public treasury, in what way would any bill offered as a substitute not also be a raid on the treasury? If one is a raid why is not the other?

Mr. ALLEN of Illinois. The agricultural experts have gone over this whole problem for a long time. I would remind the gentleman that the Members of Congress do not write the budget. The people condemn Congress for the size of the budget, but the fact remains that the Congress was not in session last fall when the budget was drawn, and I must absolve the Congress, and in particular one Leo Allen, from being identified with the writing of the budget. But I will say that if this bill goes through, according to the best best information I have, it will cost the people \$900 million more.

Mr. POAGE. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman has just reiterated what seems to me to be a very exaggerated estimate of the cost of this program. Will the gentleman be so good as to break it down to show us how it could possibly come to even half of his figure? I do not believe it will be possible to show that much even after you include all the money that could be spent on corn, the money that could be spent on cotton, and when you include any land diverted from wheat. Will the gentleman show us some figures that indicate that the committee bill could amount to even one-half of that \$900 million?

Mr. ALLEN of Illinois. I did not make up the figures.

Mr. POAGE. Has the gentleman seen such figures?

Mr. ALLEN of Illinois. No. I can only state the figures that were given to me by word of mouth. Personally I hope the lesser figure can be substantiated. I do not know.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. GROSS. The gentleman says that he is going to vote, as I understand, for cuts in foreign aid. Is that correct?

Mr. ALLEN of Illinois. That is true.

Mr. GROSS. I just want to say to the gentleman that we who have opposed foreign aid welcome him back most heartily into the fold after his 4 years' absence.

Mr. MCGREGOR. Mr. Speaker, regardless of who is the author of a bill, regardless of whether he is a Democrat, New Dealer, or a Republican, certainly the time has arrived that we recognize the serious predicament in which the farmer finds himself. It is time that we give some consideration to the rotation-crop farmer.

We must recognize, and at once, that we cannot allow the product which a farmer has to buy to continue to increase in cost and allow the product that the farmer sells to go lower and lower. Mr. Speaker, there is just too wide a spread between what the farmer receives and what he has to pay out. I voted for the soil bank thinking that it would help the farmers of Ohio and other Central States

but I am afraid that under certain rulings that seem to exist our small crop farmers are gradually being put out of business and the big farmers of the far Northwest are becoming the beneficiaries.

Mr. Speaker, I firmly believe that we are in an emergency and if we are going to continue the soil bank program it must be put on a realistic basis. It is to be regretted that some of the New Dealers seemingly will do everything humanly possible to wreck the farm program. Unless we can get effective action immediately we can expect that the soil bank and other adjustment programs will be ineffective in helping alleviate the depressing effect of food surpluses on farm prices and income.

I sincerely hope that the membership of Congress will not delay in giving recognition to the rotation crop farmer and give him the much needed assistance so that he might again enjoy the freedom that once were his.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 7 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I hope we will quickly adopt the rule which is before us, making possible consideration of the so-called corn bill this afternoon.

Mr. Speaker, I represent one of the leading corn-farming areas in the United States. It is the principal product of my district. More than that, corn production and the economic health of the Corn Belt is, without a doubt, a basic factor, if not a controlling one, in the economic health of the entire country. When I say that the corn farmers are in trouble because of the lack of an effective corn production program I am also saying that, unless remedial legislation to meet this emergency is quickly enacted, we risk the complete collapse of our whole agriculture program, including the soil-bank feature. That would be a national catastrophe.

As we enter upon spring planting there is a record carryover of around 1.5 billion bushels of corn. At the same time we are faced with a huge 1957 corn crop for the very simple reason that 37.3 million acreage allotment required by existing law is so unrealistic that the corn farmers cannot participate in such an agricultural program.

A point I wish to emphasize is that this prospective overabundance of corn, inevitably depressing corn prices, adversely affects more than just the corn farmer himself. It will have a depressing effect throughout all of agriculture in every section of the country. It must be borne in mind that at least 55 percent of the cash farm income comes from livestock and livestock products, and it is in the form of livestock and livestock products that most corn is marketed.

Obviously cheap corn will bring about more and cheaper livestock; more and cheaper dairy and poultry products. The corn problem confronting us today is thus a problem that extends beyond the Corn Belt itself. It is one that vitally affects our whole economy. Involved here is not so much the question of the price of corn per bushel. Certainly that is not the sole consideration. Involved in this problem is whether a long-range agriculture program, such as envisaged

by the soil bank, can be effectuated so that there may be a reasonable degree of stability in the production of corn for use rather than storage, and that we may have a proper balance in farm income.

There is no question as to the urgent need of emergency legislation to meet the problem that has arisen with respect to corn acreage. Just before this Congress opened I discussed with the Secretary of Agriculture the problem that had arisen by virtue of the results of the corn referendum held on December 11. While better than 61 percent of the corn farmers in the commercial corn-producing area voted for the soil bank base plan, it cannot be effectuated because of the legal requirement that it have a two-thirds vote. Basically this is the situation we here seek to correct, whereby the majority of our corn farmers will be permitted to have a program they overwhelmingly approved.

That is the objective of the bill sponsored by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], the ranking minority member of the Agriculture Committee, whereby a base of 51 million acres for corn in commercial areas would be established and provide that the farmer must put 15 percent of his base in the soil bank to qualify for price supports. That is likewise the general objective of the bill H. R. 3935, which I introduced.

The need for emergency corn legislation is well recognized, but that is not what the Committee on Agriculture has reported to us. The measure before us, bearing the name of the chairman of the committee [Mr. COOLEY], is masqueraded as corn legislation but is nothing more or less than a political monstrosity which is contrary to the objectives of the Soil Bank and which will add, according to best estimates available, a cost of between \$700 million and \$1 billion to the already heavy cost of the agriculture program. It is unworkable. It is unsound. It is costly. It would turn the soil bank program into a grandiose giveaway that would wreck the whole agriculture program.

When we enacted the soil bank we provided for what is known as an acreage reserve and what is known as a conservation reserve. The former was limited to the six basic crops, whereas the conservation reserve was for a longer duration for other crops than the basics. The bill the Committee has reported would seriously change this distinction by making acreage taken out of cultivation of oats, barley, rye, grain sorghums, and flaxseed eligible under the acreage reserve at a higher rate than under the conservation reserve. The end result would be the destruction of the whole conservation reserve concept as a long-range program.

We will have opportunity during the reading of the Committee bill to vote for a substitute, which the gentleman from Minnesota has proposed. This will be our opportunity to act expeditiously and effectively in meeting an emergency corn problem. This will be our opportunity to vote for a solution to the immediate problem, entirely divorced from all political considerations.

My mail reflects the corn farmers' deep concern about this problem and they ap-

peal for action. They do not write me as Democrats or as Republicans. They write me as good American citizens.

I earnestly urge that the Andresen substitute be adopted that we may have remedial corn legislation, so urgently needed, before it is too late.

I want to emphasize, if I may once more, what I have said on the floor of this House so many times that, representing as fine an agricultural district as you will find anywhere, these individuals are concerned about this corn problem and write me not as Democrats or Republicans but as good American citizens. I personally know the signers of many of these letters, and they write me, I repeat, as good American citizens who know what is going to happen unless the Congress take expeditious action on this matter.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. BROYHILL].

Mr. BROYHILL. Mr. Speaker, my distinguished colleague, the gentleman from Ohio [Mr. BOW], has taken occasion to criticize publicly the school system of Arlington, Va., which lies within my own congressional district.

Without appearing to be disrespectful to either this gentleman or to the House of Representatives, I submit that the conduct of our education in our local communities is determined on the local level and is none of the Federal Government's business.

I further suggest to our Ohio critic and others who take a like position that Congress, in its wisdom, made certain provisions to compensate for impacted school areas—impacted by reason of Federal intrusion—and I think this provision even extended to the Buckeye State. It was enacted in lieu of Federal taxes for the vast Federal establishment existing in these so greatly impacted areas. If the Federal Government ceased free loading on such areas and paid an honest tax for its property, it would be unnecessary for Uncle Sam to contribute to the education of children temporarily domiciled therein.

But I must confess that the criticism I have read in the past 24 hours is a red danger signal. Before us in a stupendous administration-sponsored school-construction program. I have received this program with an open mind and tended to believe in the assurance that it does not mean Federal interference with our school systems. The remarks of my colleague from Ohio have disillusioned me. If this is a sample of what the local communities are to expect from the proposed school-construction program, then I for one must give vent to a loud protest. Under no circumstances shall I support any measure that injects Federal dictation into our local school system.

I will say to my colleague that his remark, as quoted in the press, has put this House on notice that to accept Federal aid for school construction is to invite invasion of every school system in the United States by bureaucratic dictation from Washington.

Already Georgia, Michigan, and Wisconsin have seen the handwriting on the wall when they have said, without reser-

vation, that they want no aid from the Federal Government. I say emphatically that Virginia wants no such aid if it means that Uncle Sam will invade our education system and I say further, repetitiously I fear, that if this Government will stop evading full taxes to our 10th District communities. I will not even speak of aid to impacted areas.

My colleague from Ohio has done more to jeopardize the school-construction program than any man in this House. He has reminded us most forcefully of the dangers that we face in our State and local communities.

(Mr. BROYHILL asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield such time as he may require to the gentleman from Ohio [Mr. BOW].

Mr. BOW. Mr. Speaker, the gentleman from Virginia [Mr. BROYHILL] has suggested in this morning's paper that the Federal Government should keep its nose out of Arlington County school affairs.

I reply to the gentleman that the Federal Government will be glad to do so if Arlington County will keep its fingers out of the Federal Treasury.

It is axiomatic that Federal control, or interference as the gentleman called it, follows Federal money. As Members of Congress we would be unfaithful to our trust if we did not make every effort to make certain that every dollar we appropriate is wisely spent. So long as the taxpayers of the United States are billed for 12 percent of Arlington's school funds Arlington can expect to find that Representatives are interested in how that money is spent.

Mr. Speaker, figures given to me today indicate that Arlington has used Federal funds to create a school system more elaborate and expensive than its neighbors, even though they also enjoy Federal support, have seen fit to establish. The cost per pupil of the Arlington school system is \$426. This compares with \$332 in the District of Columbia, \$300 in Falls Church, \$282 in Montgomery County, \$269 in Fairfax County, and \$250 in Prince Georges County.

My home city of Canton, which enjoys no Federal impact funds, has a cost per pupil of \$278.87. My county, Stark, spends \$255.

Again, I question that it is the responsibility of the people of all of the United States to contribute to an unnecessarily expensive school system in Arlington County, a county which is often said to be one of the most wealthy in the Nation.

I would like to know whether Federal aid is provided to Arlington County for the children of those thousands of Federal employees who are taxpaying homeowners in that county.

From my study of these matters, it appears to me that Public Laws 874 and 815 should be amended in two particulars. I am submitting legislation to accomplish the following:

First. No school district may receive Federal funds unless its annual school budget is published, in advance of public hearings, in a newspaper of general circulation in the district.

Second. No school district may receive Federal funds for the purpose of increasing its per pupil expenditures above the average per pupil expenditure without Federal funds in the previous 3 school years.

Mr. Speaker, I am glad that my remarks of yesterday have caused the board to reverse its earlier decision to keep the details of its budget secret, and announced last night that it will release the budget.

Let me say again, Federal interference will always follow Federal money. The recipients of Federal aid, and those who are asking it for the future, may as well recognize this fact.

(Mr. BOW asked and was given permission to revise and extend his remarks.)

Mr. ALLEN of Illinois. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. BROWN].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, I rise in support of this rule because it is so written that it will make in order for consideration in the Committee of the Whole the so-called Andresen bill to take the place of the so-called Cooley bill. The Andresen bill would provide for a continuance of the 51 million-acre allotment for corn planting which, of course, is of such great importance to the entire Corn Belt as well as to the livestock industry and to all of the Nation. I also will support the rule and the Andresen bill when it is offered as an amendment or as a substitute, because the adoption of the Andresen bill instead of the Cooley bill will result in the saving of several hundred millions of dollars. I listened very attentively to the testimony given before the Committee on Rules on this proposed legislation. There was a great difference of opinion as to just how much the taxpayers would have to put up to support the provisions of the Cooley bill. I do not know who are correct in their figures or in their statements, but I do know from past experience that it will be a great amount and that the Government always spends more rather than less than the estimates.

I want to commend, too, if I may at this time, the gentleman from Virginia [Mr. SMITH] on the remarks that he has made here. I appreciate fully as a result of some 40 years of service in legislative bodies and in public office that it is the people after all who must support the Congress and the President in an attempt to get economy. Just recently, just this week, as an example, I received a letter from a very fine lady in my district who demanded, who insisted that I vote to reduce the budget, to cut down on Federal spending, and to reduce Federal taxes. And then she wound up by saying, "But whatever you do, Mr. BROWN, be sure and vote for the Federal aid to education bill because my school taxes here are already too high and I want to get them reduced."

Evidently this very fine lady did not understand that every penny voted out of the Federal Treasury in the way of Federal aid or grants must first be paid

in by some taxpayer who has earned it through the sweat of his brow or the energy of his mind. Too many people in America feel that there is some magic source from which we obtain the money which we spend here. Too many of us, if I may be self-critical, feel that as long as it is somebody else's money that we are spending, it does not matter very much although we may be very, very careful about our own personal expenditures.

Mr. Speaker, I should like to say to you—and I heard this discussion here today—that we have given away in the last few years to foreign peoples and foreign countries, some \$116 billion of money belonging to the American taxpayers. I go back a little further in my history of opposition to this type of legislation than most of the Members, because I voted against that famous H. R. 1776, the lend-lease bill, or the lease-lend bill, or whatever you want to call it.

Mr. MASON. So did I.

Mr. BROWN of Ohio. I voted consistently and constantly against these foreign-aid appropriations because I contend, regardless of any Supreme Court decision that may have been made, that I do not have and I do not believe that you have the legal or the constitutional or the moral right to reach into the pockets of any taxpayer in America and take therefrom in the form of Federal taxes a part of his substance, thus reducing his standard of living, and then turn that money over to lift the plane of living of some nation or some foreign country. I do not believe it is moral, legal, or constitutional.

The SPEAKER pro tempore. The time of the gentleman from Ohio has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa [Mr. GROSS].

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, I want to commend the Rules Committee and particularly the chairman of that committee for the rule under which this bill will be considered. It is a wide-open rule. It will give everybody an opportunity to hark back to the old days when little pigs were killed and potatoes were painted. Full debate is all to the good. If there have been abuses in the farm program, it is well that they be aired here on the floor of the House. This is the place to hear the farm programs, past, present, and future, discussed.

However, there are some of us who insisted that the Rules Committee provide the same open rule when the so-called Eisenhower doctrine was before the House late in January so that we could discuss, among other things, some of those roads that have been built in foreign countries that reportedly begin nowhere and end nowhere, dams started and not completed, and money lavished on foreigners for which there were no acceptable projects.

There is \$200 million made available under the so-called Eisenhower doctrine, and implicit in that resolution is another \$200 million, or close to half a billion

dollars. You who talk about economy are not dealing with chickenfeed when you deal with the Eisenhower doctrine in terms of money. There should have been an open rule when it was considered. Why there was not I do not know. Perhaps it was because it was felt it would not be a good idea to spend any time in debate on that joint resolution in the House, because there might be a few more votes against it.

So I hope, and I am addressing myself to this rule and rules to come in the future, that when the legislation comes before the House to forgive the British payment of some \$82 million in interest on the debt they owe this country—and I understand that the legislation will probably include forgiveness of part of the principal payments as well—I hope that the gentleman from Virginia, in the interest of economy and the protection of the American taxpayer, and all the members of his committee will vote out an open rule, a rule comparable to that before us today. And I hope the committee in addressing itself to the rule on the Eisenhower doctrine that apparently will be an order of business tomorrow, will see to it that there is time allowed for those who might want to speak on it. I hope the Rules Committee will give us a decent rule on that proposition too—a rule that will permit reasonable debate and the opportunity to offer amendments. Surely we will not be asked to merely rubberstamp the action of the Senate.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. GAVIN].

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

•Mr. GAVIN. Mr. Speaker, the trend this debate has taken today I know would be most heartening to my good and able friend, if he were here today, Bob Rich, who used to reiterate daily, "Where are you going to get the money? Where are you going to get the money?"

We have a national debt of \$280 billions, and we are paying approximately \$7 billions a year in interest on the national debt. I am glad to see this evidence of economy mindedness that has been manifested here today, but I am a bit resentful that anyone would illustrate it by pinpointing a little statistical information booklet compiled by the Fish and Wildlife Service for the fishermen. You are really shooting at a gnat and missing the big targets completely.

Many of you here are seemingly economy minded. I have watched the votes recorded from back in the days of the \$3,750,000,000 British loan until today. So I just do not think we ought to pick out one or two little isolated examples to ridicule in pinpointing the necessity for economy in the conduct and the operations of our Government.

Then the idea was expressed that all appropriations for any projects were out of order at this time—flood control, land reclamation, irrigation, agriculture, and so on. You group them all together as if they were all in the same category. That is not a fact. I hope the day never

comes when the Members of this Congress will neglect to give specific and careful attention to all authorization and appropriation requests—as an example, our forests and our waters and our soils. We have 170 million people today and, as the years go by, certainly with the increased population we will necessarily have to depend on our natural resources. So let us not group all projects in the same category as though all governmental operations were unnecessary.

There is another matter that I want to call to your attention today, and it is flood control. Flood-control projects must be authorized and appropriations made. I think flood control is a wise investment of the American taxpayers' dollar. If they are found to be economically unjustified they are turned down.

For the information of the House in the year 1936, we had a devastating and destructive flood in the Allegheny Valley that would cost at today's prices in the city of Pittsburgh and the Allegheny Valley \$728 million with an estimated loss of 36 lives. So, all of these projects are not in the same category and the American people are entitled to relief from these flood situations that periodically arise throughout the Nation.

I might say to the House that I think it is about time we spent some of the taxpayers' money in our own backyards for the benefit of the American people. I have noted these various rehabilitation projects in the various countries of the world where American money is spent on highways, railways, waterways, hydro projects, railroad stations, opera houses, and everything that our money could be spent for, but the minute you attempt to spend or appropriate for projects to look after the welfare of our own people in our own country, then many suddenly get economy minded. Let us hear no more about this booklet on statistical information about fishing. I think it is a fine report and deserves to be read by everyone who is interested in fishing or the great outdoors. It indicates that our great national forests and parks are available for fishing and for other forms of recreation. Certainly, the American people are entitled to some consideration and information. So let us not pinpoint and get excited about a little pamphlet that was put out by Fish and Wildlife for the benefit of the American fishermen and miss the \$4 billion foreign-aid program which now comes before us annually and evidently is part of the yearly budget. If it is cut down to size and it should be and you will get an opportunity to be recorded on it, it would afford a great deal of relief in the way of tax reductions to the American people who have carried this foreign-aid burden so generously and willingly for a long period of years.

Mr. SMITH of Virginia. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries.

CORN AND FEED GRAIN PROGRAM

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres, and for feed grains, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 4901, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from North Carolina [Mr. COOLEY] will be recognized for 3 hours, and the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will be recognized for 3 hours.

The Chair recognizes the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, much has already been said today about the tremendous cost of the farm program. While I have no desire whatever to minimize the magnitude of the expenditures in behalf of agriculture, I do want to emphasize the fact that agriculture in America is big business. There is no other business in the Nation comparable to agriculture in the dollar volume involved or the number of persons employed. It is a basic industry of this Nation, as it is in all other nations. Our farmers have performed more magnificently than the farmers of any other nation on this earth. They have mastered the arts of production. Our trouble is that we have not mastered the techniques of distribution. Our farmers responded to urgent demands made upon them at the time when freedom was in danger throughout the world. We have produced and harvested abundantly. I am not one who is frightened by the great abundance which we have harvested from our fields. I know and you know that all of our experts throughout the 48 States have, through the years, tried to train American farmers to be and to become the greatest producers on earth.

Through the years our mothers and our fathers had prayed to a merciful God to make our fields flourish and our people prosper. That has happened in America; and, fortunately, we have been able to share our great abundance with less fortunate people living in other parts of the earth.

When we think of the cost of the farm program we should relate that cost to the magnitude of the operation with which we are dealing. I do not mean to be unduly critical of the present administration; I do not necessarily have to be

critical at all, but only cite the facts and the figures as reflected by the statistics in the Department of Agriculture. The price-support program, on basic commodities, to the Commodity Credit Corporation over a long period of more than 20 years, resulted in the loss of only slightly more than \$1 billion. If you relate that \$1 billion to the accumulated sustained national farm income you can then determine how insignificant our losses have actually been.

If you relate that \$1 billion loss to the overall accumulated national income of all of our people you will see that the figure is indeed very inconsequential.

On January 1, 1953, when Mr. Benson took over the farm programs, the price-support program on the basic commodities showed a net profit of more than \$13 million. I must correct the figure I used a moment ago when I said that the loss on the overall operation over 20 years on over 20 years, a loss of slightly over a billion, that was on everything, basics and nonbasics, surplus and nonsurplus, over 20 years, a loss of slightly over \$1 billion.

Our losses are very substantial now. In 4 years we have lost 3 times as much as we lost in the 20 preceding years. Maybe Mr. Benson could not have helped it, and I am not trying to fix all the blame upon him, but these are the facts and figures and nobody can deny them. Mr. Benson tells us that we are making progress. Surpluses are disappearing; markets are returning, but the facts do not bear him out.

He took over an inventory in the Commodity Credit Corporation valued at a little less than \$2,500,000,000; and today, after having sustained all of these gigantic losses, he has invested in the same inventories with the Commodity Credit Corporation more than \$8 billion; and during this entire time our surpluses have soared and our warehouses today are bulging.

Let us not be frightened by the inventories we now have on hand, but let us apply a little intelligent thinking to the problem with which we are dealing. In presenting this bill to this House I feel and believe that I am following the advice of the Secretary of Agriculture, Mr. Benson, and his associates.

Why do I say that? The record clearly shows that the officials of the Department of Agriculture, in discussing the feed grain problem, said to us that the problem had been caused by production of corn and feed grains outside of the commercial corn-growing area.

If that is true, and the record proves it to be true, why should we not deal with this great problem on a national basis rather than on a commercial corn growing area basis?

After they had presented their testimony I thought they would present a bill which would carry out the recommendations; but, lo and behold, when the Secretary of Agriculture sent up the executive communication to the Speaker he included a bill which dealt only with corn. The Speaker referred that communication to me. It is in our committee file now. No Member of this House has been willing to introduce the bill submitted

in the Executive communication, and for very obvious reasons. We started, sincerely and in earnest, to deal with this problem with our minds completely open. The gentleman from Texas [Mr. POAGE], chairman of the subcommittee, held hearings. The matter was fully considered and discussed. We sat in executive session to write a bill. The bill we present to you today is the finished product of our deliberations. We believe that it deals with the problem as it should be dealt with.

Let us consider what happened last year. Last year Mr. Benson administered the corn program and he gave away \$179 million in soil bank payments, to the commercial corn producers of the Nation. Instead of reducing production we had perhaps the greatest production of feed grains in the history of the Nation. Now the Secretary of Agriculture proposes, rather than to deal with it on a national basis, that we make available to him \$217 million to give to the producers in the commercial corn area, knowing full well that he will not reduce the overall production of feed grains in America nor will he minimize or decrease storage costs. Why he proposes this, frankly, I do not know.

This matter was presented to us as an emergency matter. Those who come from the commercial corn area seem to think that corn is the only commodity in trouble. That is not true. The tobacco growers of my area have within 3 short years reduced their acreage, counting this year, to the extent of 37 percent. We have not been compensated one dollar's worth for any of the acreage taken out of tobacco. It is proposed here to take this corn-acreage allotment, which in 1957 would be 37,300,000 acres, and by act of the Federal Congress increase that acreage to 51 million acres and compensate the corn grower with soil-bank payments for the difference between 37,300,000 and 51 million acres; then allow him to put other acreage in the soil bank, if he desires to do so. That has not been done for the producers of any other commodity.

I live in a commercial corn-growing area. My own farm is a commercial corn farm. Yet I have never sold a bushel of corn in my life. I have to feed it to work stock. The commercial corn area has grown year after year, and, instead of bringing about a reduction in that area, corn and feed grains have been produced in greater abundance outside the area. If you can see this map, you will observe what the situation looks like throughout America.

I ask you, Why should we try to reduce the production of corn in one section of America and increase it in other sections?

Now, that is the simple proposition that is before you. I am perfectly willing for the corn Congressmen to write the corn bill. Those of us from the tobacco areas have been very successful in persuading the Members of this Congress to go along with us on our tobacco program. I went along with the Hill wool program, which is the Brannan plan de luxe, and which has not accomplished much in the way of bringing

about an increase in the production of desirable grades of wool. The peanut farmers have presented their views, and we have a peanut program. I asked the committee why they were not willing to deal with this program on a broad and comprehensive basis, and I want someone here today to answer the question, Why is this bill not acceptable? Do not talk to me about the cost of it. I am not disturbed about the possible cost of the bill that is before us. It does not give the tobacco farmer anything, nor the cotton farmer, nor the peanut farmer, nor the wheat farmer. We only referred to those commodities so that we might use the acreage allotted to the basic crops as a yardstick for measuring the acreage, the equivalent acreage, which could be placed in the soil bank but kept out of corn. Now, to illustrate, if I am going to reduce my tobacco acreage 20 percent this year, as I surely am, if I am outside of the commercial area, what is going to happen to the 20 percent of acreage which comes out of tobacco? It is going into feed grain, unless you give the man out there some inducement not to place it in feed grain. That is what we propose to do here.

Mr. Chairman, I do not want to bore you with this discussion, and I thank the Committee on Rules for its generosity. I have never known the Committee on Rules to be quite as generous as they have been with us. We asked for 3 hours and they gave us 6 hours. So, if anybody wishes to talk, I think he shall have an opportunity to talk. In all seriousness, it seems to me that this proposition could be understood in a very brief time and we should be able to begin voting and finally wind up this debate.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. I seem to remember back in the 83d Congress having some measures here dealing with wheat and cotton. So, I had the CONGRESSIONAL RECORDS brought out, and I discovered that during the 83d Congress, in which I was privileged to serve as majority leader, we increased the wheat acreage from 55 million acres to 66 million acres.

Mr. COOLEY. You did not provide soil-bank payments for wheat farmers in the 83d Congress.

Mr. HALLECK. Then in January of 1954 we increased the cotton acreage to 22.5 million acres, which was an increase of 5 million acres.

Mr. COOLEY. You did not pay the cotton farmer or the wheat farmer.

Mr. HALLECK. We did not have the soil bank then, that is true, but I cannot understand this opposition, and a lot of us are beginning to wonder, because we live in the Midwest and corn is an important item. If you think the farmers in the Midwest are not watching what is going on here, you have another guess coming, because they are. Why, you cotton people brought in a cotton bill, and we cooperated with you, because we want your section to be prosperous. And I went along with the wheat bill; I went along with both of these measures. But here we have a measure that seeks to

deal with an emergency problem, which is the corn problem in the Middle West, and we want the same sort of an acreage increase that you have had on these previous occasions. But you saddle the bill with a great many other propositions that are going to cost a lot of money, the exact purpose of which I cannot quite understand.

Mr. COOLEY. Let me say to my friend that apparently the gentleman from Indiana [Mr. HALLECK] does not understand what we have done. We have given the corn people exactly what they want. It is in substance the Andresen proposal. It is not Mr. Benson's proposal. It does not let the price go down to 70 percent. We fix the acreage at approximately 51 million acres, but where the gentleman misses the boat is here; he said that we did not have the soil bank when we provided an increase to cotton and wheat farmers. We did not. But we have now, and we proposed in the committee, to do for these other producers just what the gentleman is proposing for corn, and we did not get to first base.

Mr. HALLECK. What the gentleman says in effect is that you are going to let the corn farmers in the Middle West, the people we represent, work out a program for corn, but before they can have that, you are going to make them take a lot of other programs that are going to cost nobody knows how much money, a great many proposals that, as far as I have been able to discover, have not been carefully considered.

Mr. COOLEY. The gentleman cannot say that, because we did think it through. I turned to the committee and asked the question, "Give me one reason why this bill should not pass." I would like the gentleman from Indiana to tell me one reason, one logical, sound reason, why we should not pass this bill which deals with this national problem. Do not tell me about an emergency. They are planting cotton in Texas now, or they will be in a few days. You are not planting corn in the Middle West yet.

Mr. HALLECK. I understand you have some more cotton legislation that you are going to bring out. I do not know how we are going to look at it. I hope that we can look at it with favor, as we have in the past. But I would not be for loading up whatever may be necessary in the way of dealing with an emergency in cotton, with proposal for a great many other programs.

I have looked at the figures that have been compiled by people who I think know what they are talking about and I think that you have added to the corn program proposals that are going to cost—nobody knows the exact figures, but before we get through I would say upward of half a billion dollars. That might be only a slight consideration with a few people in this Chamber. But I do not think there is any emergency situation presented there that in any way approximates the emergency that exists with the corn farmer.

Mr. COOLEY. Mr. Chairman, I should like to call your attention to the fact that we have permitted the corn Congressmen to write the corn section of this

bill. If it is not as you wish it, offer an amendment and I shall vote to perfect the corn section of the bill. All we have done is to go beyond corn and deal with the whole feed grain problem, as Mr. Benson said we should.

Mr. SIMPSON of Illinois. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield.

Mr. SIMPSON of Illinois. Will the gentleman vote for the Andresen amendment?

Mr. COOLEY. I ask the gentleman if he does not know that the 75 percent price-support program is in this law because he wanted it in there, and others wanted it in there, for purely psychological and political purposes?

Mr. SIMPSON of Illinois. The gentleman said that he would let the corn people write the bill, that he would vote for an amendment to that effect, if offered on the floor. The Andresen amendment is going to be offered on the floor, but the gentleman will not vote for it, will he?

Mr. COOLEY. No, because you are proposing to strike out everything else in the bill. I say, perfect the corn section, but retain the other sections. There is no other crop named in this bill. All I am asking is that producers of the basic crops be permitted to put in 18 percent of their allotment or an acreage equivalent thereto.

Mr. MORRIS. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield.

Mr. MORRIS. Is it not true that tobacco and cotton and peanuts and other crops are area crops but that corn is a nationwide crop?

Mr. COOLEY. I think the legislation which we have here shows that.

Mr. GAVIN. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. Of course I shall yield to my great farmer friend.

Mr. GAVIN. I listened with a great deal of interest to what the gentleman had to say. I recall last year the very pitiful plea that the gentleman made on behalf of the small tobacco farmer. It really touched my heart.

Mr. COOLEY. It did not touch your head though; did it?

Mr. GAVIN. I wonder if the gentleman could tell us in the matter of the allocations that were made to the small tobacco farmer for this year whether or not he was considered as to the allocations in the respective counties throughout the tobacco-growing area or are we going to have him come back again this year for increased acreage? I just wonder how the tobacco farmer is getting along?

Mr. COOLEY. My friend does not know anything about tobacco. We have never asked for increased acreage. We have never asked for minimum acreage. We have taken every cut imposed on us by the Secretary of Agriculture, Mr. Benson, and we have not been paid a dollar in the way of soil-bank payments.

I do want to say that I think this is a serious problem. The corn farmers are in no more trouble than the other farmers. All of them are in trouble.

This is one thing I do want to comment on before I take my seat. I think

it is really a sad and sorry day for agriculture when we come to the floor of the House with a bill which has been reported and perhaps, unfortunately, will be considered in the final showdown on partisan lines. For 22 long years I sat on the Committee on Agriculture with CLIFFORD HOPE from Kansas. Never, except on one occasion, did we have a strictly partisan vote, and that was in the spring of 1949 when we brought out of our committee the so-called controversial trial run on the Brannan plan. We come now to consider legislation in the opening days of this session, and we are engaged here in a bitter partisan fight. Why? Why should it be political, when corn is grown in just about every congressional district of America?

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman could very easily have avoided that if he had treated this corn situation as the emergency which it is, if he had dealt with it on that basis as we have dealt with problems affecting agriculture in other sections of the country, and then reserved for another day these other propositions that he here has included. The gentleman could easily have avoided this proposition that is here now, but apparently he did not see fit to do it; so those of us who want some legislation and want it to do some good are insisting that we must make this fight.

Mr. COOLEY. Permit me to read the language of one of the gentleman's own party:

The biggest part of this excess came in the noncommercial corn area.

That is one sentence from the testimony of Mr. Marvin McLain, Assistant Secretary of Agriculture.

Mr. HALLECK. I was quite interested in what the gentleman from Oklahoma had to say about corn being a national or nationwide crop. Through the years I have taken my automobile and driven around the country. I like to drive down South, particularly in the early spring of the year, because it is a little warmer down there and things are lovely. I have observed that many of the things we thought we had something of a monopoly on up North in respect to farm products are beginning to be found pretty generally in the South. I do not object to that. I think a lot of this has been brought about by the very farm programs under which we have been operating. You cannot blame us too much for insisting that at the moment we deal on an emergency basis with the corn legislation before us.

Mr. COOLEY. Why is it an emergency any more than it is with other producers?

Mr. ARENDS. If the gentleman will yield, I will try to give him the answer.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. I would like to yield, but my time has expired.

Mr. ARENDS. I would like to answer

the gentleman's question because I think I have the answer.

Mr. COOLEY. In that case, Mr. Chairman, I will yield myself 3 additional minutes. Go ahead.

Mr. ARENDS. The gentleman must admit his section of the country is different from ours. In my part of Illinois this past year, we raised a tremendous corn crop. One county just outside my district had an average yield of 81 bushels per acre. That is unprecedented. That is in the commercial corn area, where the important crop is corn and our economy is centered on it. Last year, according to the best information I have, approximately 40 percent of the farmers in the commercial corn area cooperated in the program because it became effective so late in the year. This year as things now stand, but few farmers are going into the program. The figures in one of my largest counties show that only 89 farmers indicated their willingness to go into the plan. Why? For instance, a farmer with 160 acres of land, where he formerly would have approximately 50 acres of corn—and this is a fact from the figures I have at hand—has now been given approximately 38 acres of corn. Accordingly a farmer, whether he raises corn to sell or feeds cattle or hogs, cannot possibly go into this program. What is going to be the result? By not going into the program he will likely plant somewhere around 50 acres or more of corn and, God willing, if there is a good crop year, come up with all the way from 70 to 90 and possibly 100 bushels of corn to the acre. What, I ask again, is the end result? We will have so much corn on hand that we will have it running out of our ears. Then what happens? Right now with farm sales going on in our part of the country, we have farmers buying sows and gilts to raise pigs and more pigs, and we might well have the greatest supply of beef and pork this coming year than we have had for a long, long time. The result is going to be cheap meat prices. That is what is going to happen if you do not have some way of attracting our farmers into a sensible and fair farm program, who, I repeat, cannot exist under the 37.3-million-acre limitation. That is simply a statement of fact as to what may well happen unless we quickly pass emergency corn legislation.

Mr. COOLEY. Let me agree with every word the gentleman has said and then I must tell you we are doing exactly what you want us to do to increase the acreage to 51 million acres.

Mr. ARENDS. And you are putting everything else in this bill, including 5 or 6 feed grains never before considered under the plan.

Mr. COOLEY. No, no.

Mr. ARENDS. Just like the gentleman from Indiana said a moment ago, I say to you, why in all fairness did you not come in with an emergency corn proposal. Corn planting time is going to begin in just a few weeks. Let us take care of this problem and then we will go into your additional problems, but here you have muddied the waters through the inclusion of additional feed grain matters. Here in your proposal you have a problem that you cannot

meet intelligently nor speedily at this time, and you know it.

Mr. COOLEY. Point out why we cannot meet the problem at this time? You said it should be met.

Mr. ARENDS. Because our corn farmers cannot nor will they go into the program as it presently exists. You know, or should know there is little if any possibility of a catch-all bill such as yours ever being written into law.

Mr. COOLEY. May I ask a question? May I ask the gentleman from Texas [Mr. POAGE] if he has any record of how much has gone into the soil bank.

Mr. POAGE. If the gentleman will yield—2,164,126 acres as of February 15 signed up.

Mr. COOLEY. That is, already signed up in the soil bank. We are trying to do exactly what you want us to do. We want to deal with the whole program. We do not want to deal with it piecemeal.

Mr. ARENDS. Let us deal with the corn emergency situation, right now, quickly. We will and should look into your problem as it relates to cotton, tobacco, peanuts, and so forth. We have done so in the past and we will do so again. Let us take care of this emergency corn situation now, time is of the essence.

Mr. COOLEY. It is not my problem. I am in a commercial area as you are.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, corn farmers are in deep trouble. They face an emergency so serious that it is comparable to the drought. They are confronted by a prospective record carryover of 1.5 billion bushels of corn at the start of the 1957 crop season. And there is nothing in the existing agricultural programs that gives them a realistic means of coping with the situation.

Present legislation sets the 1957 corn acreage allotment at 37.3 million acres. This is completely unrealistic. Most corn farmers will not be able to live with such an allotment. They will not participate. And that can have only one result—continued corn production in excess of outlets, still larger stocks, and still lower prices.

Mr. Chairman, this is a terrifying outlook for corn growers. But it will not stop there. The trouble will spread far beyond the Corn Belt. The initial effect of this breakdown in the corn program will be felt by corn sellers—but the secondary effects will be felt in every county in the United States. Most corn is marketed in the form of livestock and livestock products. These marketings account for about 55 percent of cash farm income. Huge supplies of corn mean cheap corn, and cheap corn means more and cheaper livestock, dairy, and poultry products.

This is a problem which requires correction now. We cannot afford to put it off. Speedy action is no less important here than in the drought emergency.

We already have more corn than we need, even after allowing for emergencies. We have effective tools for handling surpluses of storable commodities, provided these tools are used before the surpluses reach unmanageable levels. But we do

not have similarly effective tools for handling these surpluses after they are translated into surpluses of perishables, such as eggs, poultry, and meats.

Every member of our committee recognizes that action is imperative and that it must be taken immediately. The sole difference of opinion between the minority and majority is on the method of handling the problem.

The majority has proposed a program which, despite the huge expenditure of funds it involves, will not solve the problem. It will not restore stability of supplies and price. It will not improve the long-term position of farmers in the great feed and livestock producing areas. It will not be an effective program to reduce production gluts of corn.

The minority, on the other hand, is proposing a sound program in H. R. 3011, as amended. Given a fair chance to operate in 1957, it will not only cut back corn production, but it will also provide the opportunity for bringing corn supplies back to more reasonable levels by the time the acreage reserve is now scheduled to terminate in 1960. I would point out, Mr. Chairman, that it is a program which in general had the approval of about 62 percent of the farmers voting in the corn referendum last December.

Several basic questions raised by the majority report need clarification:

Has corn received favored treatment in the past? It is stated that one purpose of the majority bill is to give other basic crops—wheat, cotton, peanuts, rice, and tobacco—equal treatment with corn. It is alleged that corn was singled out for special treatment in 1956 through establishment of a 51 million base acreage in lieu of the allotment of 43 million acres calculated under the formula prescribed by the Agricultural Adjustment Act of 1938.

What are the facts?

Wheat, cotton, rice, and peanut producers have been—and are—protected by permanent or temporary minimum national allotments against undue cutbacks in acreage. Corn producers have had such protection just once—in 1956.

The permanent minimum acreage allotment for wheat is 55 million acres. For cotton, the minimum is 17.6 million acres for the 1957 and 1958 crops. If the allotments for wheat and cotton were determined on the basis of the acreage needed to attain normal supplies as is done in the case of corn, the national wheat acreage allotment would be only 12.4 million acres—a reduction of 43 million acres. The allotment for cotton would be only 3.9 million acres—a reduction of about 14 million acres.

Far from having been favored in the past, corn producers need the bill proposed by the minority to place corn on a more equal footing with other basics—wheat, cotton, peanuts, rice, and tobacco.

If corn is given a minimum acreage allotment of 51 million acres, this would be an increase of about 37 percent over the level needed to keep supplies in line with the supply and demand formula in the Agricultural Adjustment Act of 1938. Similar treatment for wheat and cotton would place their total acreage allot-

ments at 16.9 million acres and 5.3 million acres, respectively.

In other words, even with a minimum acreage allotment of 51 million acres for corn, wheat, and cotton would still have an immense advantage.

The following tables show that wheat and cotton would still have an advantage over corn even after a minimum acreage allotment of 51 million acres was established for corn:

	Corn	Wheat	Cotton
(a) 1957 crop acreage needed to keep supplies in balance with demand (millions of acres).....	37.3	12.4	3.9
(b) Percent increase to bring corn to 51 million acres and wheat and cotton to comparable basis.....	36.8	36.8	36.8
(c) Acres increase on a comparable basis (millions of acres).....	13.7	4.5	1.4
(d) Farmers would begin to earn soil bank acreage reserve payments when they cut below the following acreage (millions of acres) (a)+(c) if corn, wheat, and cotton were on same basis.....	51.0	16.9	5.3
(e) Minimum allotment for 1957.....	0	55.0	17.6
(f) Advantage of wheat and cotton over corn on the basis of each commodity keeping supply in line with demand (millions of acres).....		38.1	12.3

Acreage allotments, 1957

Commodity	Actual allotment ¹	Allotment as it would be in the absence of a minimum allotment	Relationship of actual allotment to allotment in col. 3
(1)	(2)	(3)	(4)
	Million acres	Million acres	Percent
Wheat.....	55	12.4	444
Cotton.....	17.6	3.9	451
Corn.....	51	37.3	137

¹ In the case of corn this represents the proposed allotment.

It is contended that the 51 million base acre corn program did little to reduce the corn surplus in the 1956 crop season. Will not the same program have the same lack of results in 1957?

Again what are the facts?

Mr. Chairman, the 1956 program was started well after the larger part of the crop was planted. Both the President and the Secretary of Agriculture warned that significant benefits could not be expected from the acreage reserve as regards spring planted crops. The Secretary of Agriculture, however, was required by law to start the program beginning with 1956 crops even though the law did not become effective until the end of May 1956.

If speedy action is taken on the minority proposal, farmers in 1957 will be in a position to participate before and not after they plant corn. The 1957 acreage reserve corn goal of 4.5 to 5.5 million acres will be achieved and the acreage of corn harvested in the commercial corn area will be significantly below the 53.1 million harvested acres in 1956.

The Government will receive direct benefits from expenditures in the form of reduced corn production.

Mr. Chairman, producers want the type of program recommended by the minority. Almost 62 percent of the farmers voting in the December 1956 corn referendum, only a few percent shy of the required two-thirds majority, approved the 51 million acre approach. In 14 of the 24 States in which the election was held, considerably more than two-thirds of the farmers voted for this approach.

If farmers had been confronted with the full proposal embodied in H. R. 3011, the vote last December would have been well in excess of the two-thirds majority required.

The American people do not want the soil bank to be turned into a giveaway program. That is exactly what would happen under the majority proposal.

The majority program could involve an expenditure of an additional \$950 million with little reduction in the output of surplus crops. In determining the basis for payment, the highest acreage of feed grains planted in any 1 of the past 3 years would be compared with 1957 planted acreage. This would permit farmers to receive payments for reducing "phantom acres" rather than for acres actually taken out of cultivation.

What is at stake, therefore, is not merely the future income of corn and livestock producers, but also the future of the entire soil bank.

It is my firm conviction that under the majority bill we cannot continue to have an effective conservation reserve.

The Soil Bank Act as passed by Congress provides for a temporary acreage reserve limited to the six basic crops—corn, wheat, cotton, peanuts, rice, and tobacco—and a longer term conservation reserve for crops other than the basics.

The majority bill would break down this distinction. It would make acreage taken out of cultivation of six additional nonbasic crops—barley, rye, grain, sorghums, flaxseed, and oats—eligible under the acreage reserve at a higher rate than under the conservation reserve. Furthermore, these acres would have to be taken out of cultivation for only 1 year, rather than for at least 3 years as under the conservation reserve.

Now, what effects will this have on the conservation reserve?

Some producers of these six crops who have not already placed their acreage under the conservation reserve will not put them under the acreage reserve.

Producers of these crops who have already signed up under the conservation reserve at a lower rate will claim discrimination.

Producers of other crops now eligible only for the conservation reserve will immediately request inclusion under the acreage reserve.

The majority proposal, in short, is the death knell of the conservation reserve.

Let us now analyze H. R. 4901 in a little more detail.

Section 2 of the bill provides a new acreage reserve program for acres diverted from basic commodities. It would allow producers with basic crop allotments to put into the acreage reserve an acreage equal to 18 percent of their allotments, provided they reduced acreage of

feed grains below their base acreage by the amount of such participation. In order to participate under this section of the bill a farmer with a corn allotment would have to reduce one of the other feed grains below his base acreage for feed grains.

No maximum total payment limitations apply to this phase of the bill. In the event of maximum participation the cost could be as high as \$700 million.

Yet very little actual reduction of feed-grain production would result. Why? Because the feed-grain base would be the highest acreage planted to feed grains in any of the last 3 years. Suppose a farm had 100 acres of feed grains in 1954, 140 acres in 1955, and 100 acres in 1956. It would have a 140-acre base. If the farmer had a wheat allotment of 100 acres, he could be paid on 18 acres of diversion, even though he increased his acreage of feed grains in 1957 to 122 acres.

Further, there is no method for checking statements of acreage against available official State or county statistics. Now I will match the integrity of our farm people against that of any economic group in this land. But, Mr. Speaker, this is not a businesslike procedure. It is not the way to run a Government program.

Moreover, in many cases the poorest land on the farm would be put into the acreage reserve. Yet payment would be made at a corn rate per acre or higher, or the equivalent of possibly \$3 per bushel.

One of the worst features of this bill is the way it would affect the corn producer. Take a corn farmer with a 1957 allotment of 50 acres. Let's say in the past 2 years he has been a noncooperator and has planted 75 acres of corn each year. His feed grain base is 60 acres. To receive any payment for diverted acres, this producer must reduce his corn acreage to 50 acres and place 9 acres into the reserve and plant not more than 51 acres of feed grains. In other words, he must reduce his acreage of corn and other feed grains by 34 acres to become eligible for payment on 9 acres. He is not eligible for payment by reducing his corn acreage to 50 acres and placing 9 acres in the acreage reserve.

How can anybody call this a corn bill? It will repel, rather than attract, the noncooperator of past years.

Some of the possibilities under this bill are ludicrous—or they would be if the need for a sound program were less tragic. Here are a few examples.

On many farms with basic crop allotments there is actually no diverted acreage. The below 4 acre cotton producer who receives an allotment equal to the highest acreage planted during the past 3 years would make no adjustment. Such a producer would be eligible for payment on the basis of 1 acre of diversion at the corn rate—even though no diversion has occurred. Under this 1 acre minimum diversion, many tobacco producers would be paid on a diverted acreage greater than their actual tobacco allotments.

The method provided in this bill for establishing the feed grain base is such that, under certain conditions, the feed grain base plus the acreage allotment

could exceed the entire cropland on the farm.

Producers on low-yielding farms would receive a higher per acre payment for reducing acres under section 3—the acreage reserve for feed grains—than they would under section 2—the acreage reserve for diverted acres.

To sum up, this bill would entail a vast expenditure of funds with no significant reduction in production. It is contrary to the objectives of the soil bank. It is opposed to the best interests of American agriculture.

Such amendments to the Soil Bank Act as are provided in H. R. 4901 would wreck the entire soil-bank program. The fundamental objective of the soil bank is to reduce production of surplus basic crops—corn, wheat, cotton, peanuts, rice, and tobacco—by fair payments to farmers for making such adjustments. Section (b) of H. R. 4901, with no upper limit on payments would disburse funds to producers without getting a compensating lowering of production.

Corn producers should be given a fair chance to adjust their production with minimum acreage allotments comparable to those provided to producers of other basic crops. With that amendment, we believe that the soil bank should be given a fair trial to do the job which it was designed to do.

Mr. Chairman, after passage of the emergency corn legislation as provided in H. R. 3011 all of the members of the minority will be ready and willing to review all existing agricultural legislation with a view to developing amendments to improve the position of American agriculture.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Iowa.

Mr. COAD. Would the gentleman say that feed grains have not contributed to this problem?

Mr. AUGUST H. ANDRESEN. They may have contributed to it. I know that the committee bill contained a provision with reference to feed grains, but I do not think it will solve anything as far as the feed situation is concerned. And let me say to the gentleman again that while he is not a member of our committee, yet we are willing to sit down as members of the committee and work out the feed-grain proposition, the soil-bank proposition, the whole farm proposition; and that is what I propose to do as long as I continue a member of this committee in the present session of the Congress.

Mr. COAD. Mr. Chairman, will the gentleman yield further?

Mr. AUGUST H. ANDRESEN. I am sorry, I cannot yield further but will after I have completed my statement.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. AUGUST H. ANDRESEN. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. The gentleman made a statement that the Andresen bill which is to be offered as a substitute would produce less corn. The gentleman indicated that it would pro-

duce less corn than the committee bill which we are now considering. The gentleman does not mean to say that, does he?

Mr. AUGUST H. ANDRESEN. I am convinced that if my bill is enacted in time, the one I am proposing, there will be a tremendous amount of corn acreage, from $4\frac{1}{2}$ to 5 million corn acres in the commercial corn area, where the surplus is, will go into the soil bank, and be taken out of production, and we will get a lower corn supply in 1957 than we had in 1956.

Mr. JONES of Missouri. Will the gentleman not agree we will have still less corn produced if we adopt the committee bill and that there will be produced less feed grains?

Mr. AUGUST H. ANDRESEN. No, I cannot agree with that. In the first place, I cannot agree because I know that the committee bill will never become law. In the second place, the committee bill does not properly deal with the feed grain proposition because it does provide that diverted acres may be taken out of cotton, peanuts, wheat, and the other basic commodities, outside of corn, and where you have feed grains on any of that diverted acreage, in any one of 3 years, you can take out 18 percent of that feed grain acreage and put it in the soil bank by making corn payments on diverted acreage that has heretofore been planted to cotton, peanuts, and the other basic commodities.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman, I am going to ask that I be privileged to make a statement as to the need for this legislation and the two different approaches which have been suggested to solve the problem before I am interrupted by questions. I will attempt to answer questions after I have completed my statement but I believe I can save the time of the Committee if Members will allow me to proceed.

First, we should answer the question, What is the problem that brings legislation before the House at this time? The problem is rather simple. It is that we have substantially more feed corn and corn equivalent than the market is taking and that each year we are producing substantially more corn and corn equivalent. By "corn equivalent" I mean other feed grains that may be substituted for corn. We have more corn and corn equivalent than we apparently need with our present supply of livestock.

It was natural that those who are affected by this program began to cast about for some means of controlling this apparent surplus. Now, I am not as concerned about the surplus as some people are, because I do not believe that an adequate supply of food or fiber or of feed is per se a dangerous or a hurtful thing to a growing economy. On the contrary, I believe that we are well advised at all times to maintain adequate

supplies of food, fiber, and feed. But, with corn and corn equivalent greatly exceeding 4 billion bushels per year, we are faced with the necessity of looking about to see how we can bring our total feed supplies more nearly in balance with our current demands.

Let us see how we have tried to achieve this balance in other fields. We have six commodities that have been called basic. The name "basic" is used to distinguish those crops which have the privilege to vote upon themselves, acreage allotments and marketing quotas. Five out of six of those commodities have for a good many years been under acreage controls and marketing quotas, which means that you cannot grow wheat in the United States, except those of you who grow less than 15 acres, without complying with marketing quotas. You cannot be a commercial producer of wheat and grow in excess of your acreage allotment without penalties. If you grow more than your allotment, you are penalized; you have to pay a penalty. You do not simply lose your support price; you lose that, but you also have to pay a penalty. If you grow more cotton than your allotment, you do not get the support price, but in addition you pay the United States Government a penalty of 50 percent of the support price. I believe it is 75 if you grow more peanuts than your allotment.

But, the corn people have never seen fit to accept such controls, and as a result, the corn people have been growing approximately the same acreage of corn for the last 10 or 15 years. I am talking about corn in the commercial corn area only. There has been no appreciable reduction in the acreage of corn in the commercial corn area. There has been a reduction in wheat of more than 30 percent. There has been a reduction in the acreage of cotton exceeding 30 percent. There has been a reduction in peanuts and tobacco acreage approaching 50 percent. Now, those people did take these large reductions without receiving a dime of pay. They took that reduction in acreage in return for a guaranty of price. The corn people got the same guaranty without any reduction in acreage.

Now, let us face it. The corn people have been receiving support prices as high and oftentimes higher than the cotton and wheat people have, and yet corn farmers have never had to face any mandatory reduction in their acreage.

Last year corn was supported at 86 and a fraction percent of parity. No controls. Cotton was supported at 82.5 percent of parity with better than a 30-percent cut in acreage. Wheat was supported, I believe, at 82.6 percent with more than one-third taken out of production. And, the cotton and the wheat men did not get a dime when they took their land out of production.

Now the corn people at long last seem to realize that they have got to make a reduction, too, and I think they are right about it. They realize that they have got to follow in the footsteps of the cotton men, the wheat men, and the tobacco farmers. They realize they have to make a reduction or they are

going to be sunk by the very volume of their own production. So, they suggest not that they take a reduction like the other farmers have already taken, but rather that they be allowed to place their land in the soil bank and receive an average of \$42.50 an acre for every acre that they retire from corn. That is pretty good pay, gentlemen; that is pretty good pay for taking your land out of production for the purpose of maintaining your own price. But the Andresen bill goes further and pays corn-growers in the commercial area to take any land out of cultivation and receive payment at the same rate as if they had taken corn out of production. We took our cotton land out and we did not get anything. These tobacco men took their tobacco land out and they did not get anything. Corn men say "we will take out our land if you pay us \$42.50 an acre." The committee said, "Yes, we will pay you. We know that you cannot get two-thirds of your people to vote for the kind of allotments that we have in cotton and wheat. We know you are not going to support marketing quotas. We realize that you are faced with a serious problem." So we said, "We will recommend to the House of Representatives that we pass legislation that will let you draw money for every acre you take out of corn below 51 million acres."

We have never said that to any other crop in this nation. Is not that a pretty liberal proposition? You grew 55 million acres of corn last year in the commercial corn area, did you not? We say "Reduce it by a measly 4 million acres. Four million acres out of 55 million and we will pay you for all the rest that you take out of feed."

I can remember when we grew 43 million acres of cotton in these United States. We have the right to grow 17,500,000 acres this coming year—17,500,000 out of 43 million. I can remember when this Nation grew 84 million acres of wheat and the wheat people have the right to plant only 55 million acres of wheat this year. And they did not get paid a dime for that tremendous reduction.

The corn people said, "But we must be paid." And we on the committee said, "Yes, we believe you must. We believe you are in a serious situation. You have enjoyed your special privileges so long you cannot get the farmers to vote for marketing quotas or to comply with acreage allotments. The Nation needs the reduction. We know it. We believe that it is essential to protect all agriculture and we recognize that corn is a very important part of American agriculture. It is our largest single field crop. We believe it is essential to protect the livestock industry, to have stability of feed prices. We have tried to help you get that stability."

The very first day that the Andresen bill came before the subcommittee I, myself, said, "We will help you get the program which you feel you need for corn. We will do for you all that you want done if you will apply the same rule across this board. But we will not give to corn a treatment entirely different and more favorable than you are willing

to accord to the other great crops of America."

We said to you, "We will let you write the corn provisions." And before any man stands here and suggests that our committee has been unwilling to do that, I call attention to the fact that I myself made a motion to report out the Andresen bill, to substitute our provisions relating to the other commodities—to add them to the Andresen bill and report it out under his name. But he said, "No, I do not want that. I do not want my name attached to a thing that would do for other people what I want done for the corn area."

No; we have tried to do what you asked. We are ready to do what you ask. We offered to the corn people all they have told us they needed. We are still willing to do what you ask, but we ask you to do something for other people, too.

You know, the attitude of some of those who have argued about this corn bill reminds me of the old man who went out and prayed. And he said, "Lord, bless me and my wife, my son John and his wife, us four and no more."

Too many of these corn people have seemed to place far more emphasis on the "no more" than they have on the blessings that they themselves seek to receive.

There has not been any disposition in the committee to deny blessings to the corn people, and there is none today. The first thing in the committee bill that we bring you today is an increase of 6 million acres in the corn allotment. Read it. That is the first section of the committee bill. It arbitrarily sets the corn allotment for 1957 at 43,200,000 acres. That is 5,900,000 acres higher than your own Secretary of Agriculture set the allotment.

Now, let us be fair about this. The Secretary of Agriculture set the allotment, and he set it at 37,300,000 acres. The committee bill sets it at 43,200,000 acres, just exactly what you had last year in the way of allotment. The very first thing in this bill gives to corn every acre that you had last year, every acre. We simply picked out last year's allotment. You lived under it and you did pretty well.

I believe it is fair to say that almost all the sales of farm machinery that are being made right now are being made in the commercial corn belt. I believe it is fair to say that the rate of foreclosure in the commercial corn belt of the United States today is appreciably lower than it is in any other section of the United States. I believe it is fair to say that the average farm income in the commercial corn belt is today far higher than it is in the rest of the United States.

Facing those facts, can it be honestly said that last year's corn allotment meant ruin for the corn farmer? And we give you 6 million acres so your commercial corn farmers will not have to take any cut from the allotment which gave relative prosperity to the commercial corn area. We never gave that to any other crop in the history of this Nation. We give you a new and a larger

allotment than any of your representatives ever asked for.

I recognize that one of the great farm organizations came before our committee and said, "But you haven't got a floor under the corn allotment. Why don't you have a floor under the corn allotment?" The answer is very simple. There never was a representative from the corn area that ever walked into our committee and introduced a bill asking for a floor under the corn allotment. As soon as it was suggested that the corn people wanted such a floor, Chairman HAROLD COOLEY, from North Carolina, who was deeply concerned about this floor under the corn allotment, offered the committee bill setting a floor as high as your last year's allotment. We gave you the floor, and we give you the floor in this bill, and we give you 51 million acres, which is exactly what you had last year, from which you can make cuts and receive payment. That is what you had last year and you prospered. Last year you called it the farm base. It was, and under this committee is, 51 million acres. Your prosperity was far greater last year than that of any other agricultural section in this Nation. You had to get down to your farm's share of 51 million acres in order to put your corn land in the soil-bank last year and you have to get down to the same figure under the committee bill.

We give you the same thing as your 1956 farm base this year and say that you can put 18 percent of your corn allotment into the soil bank and receive payment for it, provided only that you are taking it out of corn or other feed grains. That means you have to stop growing quite so much feed. But the Andresen bill, on which you are going to be called to vote, does not require any reduction of feed grains. The Andresen bill does not require you to reduce your feed grain acreage in order to get soil-bank payments. Let us read it. Let us read the record. Here is the Andresen bill, H. R. 3011. Here is what it says on page 2. I challenge everyone of you to follow me. It says that—

For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a cooperator shall be a producer who puts 15 percent of his farm allotment in the soil bank—

It does not say corn land.

It says—

who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 percent of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn.

That is right; is it not? I have not misrepresented it; have I? That is what the Andresen bill says. It says you do not have to reduce one single acre below your share of a 51 million acre farm base.

You from the commercial corn area told us that you had a great surplus of feed. That is what we were told in the committee. All of those who advocated the Andresen bill told us that. The Secretary of Agriculture came before the

committee and told us that. The Assistant Secretary of Agriculture came before us and told us the same thing. They all told us there was too much feed. We agreed. But, the Andresen bill does not require the reduction of one single acre of feed, but allows you to go out and plow up some meadow as long as it is tilled in rotation. Go plow up something that never had corn or feed grain on it—a watermelon patch or anything else, and put it in the soil bank and receive payment for it at the corn rate which averages \$42.50 an acre over the country. Then, you can plant your share of 51 million acres of corn, which was your full allotment last year. That is what the Andresen bill says you ought to have, and it is all that everybody says you ought to have. They all said you had to get your corn plantings below 51 million acres if you were going to achieve helpful reduction. We thought that we could all agree on the need of making some worthwhile reduction in production, but you now seem to say that you want to plant your corn and have Mr. Benson pay you for it, at full support prices. Possibly, Mr. Chairman, it is this privilege of planting all your farm base in corn and still getting payments for putting land which was not in either corn or other feed in the soil bank which some Members want. Possibly this is the advantage they see in the Andresen bill as contrasted with the committee bill, but if it is, it is an advantage which no one was willing to ask for in the committee. It is not in keeping with what your Secretary of Agriculture told us we needed. He told us we needed a reduction in feed grains and everybody I have heard has repeated that. We needed a reduction in feed grains.

The real differences between this bill which the committee proposes and the bill that is going to be offered as a substitute basically are two. The majority of the members of the committee felt that there were two principles involved to which we must hew if we were to bring legislation worthy of the favorable consideration of this House. Those principles are simple. First, we said that we should treat all farmers with substantial equality—that if a man in Alabama reduced the production of feed grain by taking diverted acres out of production, he should be allowed to have the same kind of treatment that the man in Iowa would have for a similar reduction, and we said that if a man in eastern Colorado who has reduced his wheat by one-third and who has been growing feed grain would reduce his feed grain acreage that he, too, should be given the same opportunity to place that land in the soil bank as is accorded the man in Illinois who takes his corn out. For that matter, we said that a man in Mississippi who is growing a hundred bushels of corn per acre in the Mississippi Valley, on land diverted from cotton, should have exactly the same right to reduce his corn production even though he lives outside the commercial corn area, that the man inside the commercial corn area has. I well realize as the gentleman from Illinois [Mr. ARENDS] pointed out that he has a great State, producing a great deal

of corn but acre for acre there are areas in the Mississippi Delta that produce more bushels of corn than his great State of Illinois. And yet, this Andresen bill would not give one thin dime to put that Mississippi corn land into the soil bank. We felt that was not fair, and we felt that any bill we passed must be fair to all farmers.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. In just a minute I will yield. But before I do I want to tell the Committee just what this problem is and just what solutions have been proposed and why the committee took the solution that it did.

We felt there was another principle also involved, and that was that, if we were going to spend a substantial amount of money in reducing corn production in the United States, we ought to achieve something; that we ought to actually get some results. I think you will all agree that that is a sound proposition.

Before I elaborate on that let me call your attention to this: There have been some suggestions or intimations that the committee bill is unreasonably expensive. The committee bill does involve a very substantial expenditure of funds; very substantial. We believe that it will achieve something. There has been an intimation that the Andresen bill would involve practically no expense.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Not just yet. I want to yield a little later. But I want to call attention to the fact that the Andresen bill may involve some money, too. Some very big money. Let me read the figures. I am not going to simply give you my conclusion. The gentlemen have said the committee bill would cost vast sums. There was a little difference of \$200 million in their estimates and they admitted they were just guessing. Let me give you some figures on this Andresen bill, figures you yourself can check. This is what it can cost. I do not say that it will cost so much, but this is what it can cost. I am going to read it, and when the gentleman from Iowa [Mr. HOEVEN] rises I want him to point out if I am incorrect. This bill authorizes an increase in corn allotments in a commercial area from 37,289,000 acres to 51 million acres. That is an increase of 13,711,000 acres of allotted corn. In 1956 the yield of corn in the commercial area was 49.6 bushels per acre. The 5-year average yield, counting the 2 poor years of 1954 and 1955, was 46.2 bushels per acre. The support price announced for 1957 is \$1.36 a bushel. I do not think anybody will quibble over these figures. They are the figures of the Department of Agriculture.

On the basis of the 1956 yield, 13,711,000 acres times 49.6 equals 680 million bushels of corn. See if I am not figuring it right—680 million bushels times \$1.36 per bushel equals \$924,800,000; a possible increased price support obligation in 1957, under the Andresen bill—\$924 million more than it is possible to cost under the present allotment.

On the basis of the 5-year average, 13,771,000 acres times 46.2 bushels equals—

633,448,000 bushels, times \$1.35 a bushel equals \$862,892,000; or, for the 3 years the Andresen bill has to run this could create an obligation of \$2,588,676,000 of added price supports for corn in the commercial area alone. I ask you who follow me to point out if this is wrong and if it is, to explain how it is wrong. I am not giving you a simple sum, an off-hand guess as to what this bill can cost, I am giving you figures covering the actual facts, and I ask you to point out wherein I am wrong. If you don't do so I think that we can fairly assume that you agree that my figures are correct.

Mr. ARENDS. Mr. Chairman, will the gentleman yield right there? It is important.

Mr. POAGE. I am sorry, I cannot yield yet. I want to complete my statement.

I pointed out that the committee felt that we wanted to do for corn what needed to be done for corn. What the corn people said needed to be done for corn we did. But we said we also wanted to do for other people similarly situated something comparable, so we said that if you are growing feed grains on diverted acres, it did not make any difference where those diverted acres were—Iowa or South Carolina—that to the extent that you take feed grains out of production that you can put 18 percent of your allotted acres into the soil bank and receive payment at your local corn rate; or if there is not any corn rate at the rate of feed grains, or if your county has neither any substantial corn or feed grain production, then at a minimum of \$10—from \$10 to \$50 an acre. That means, of course, that most of the acres diverted from wheat would not get more than \$10; most of the land diverted from cotton would get between \$15 and \$20; most of the corn acres would get from \$40 to \$45. That is what that means.

There is no discrimination against corn because corn is going to get far larger payments than any other crop. But we had this second provision in mind, that you had to actually reduce feed grains, not like the Andresen bill said, just put some acres—any acres—in the soil bank and get paid for it; we said you have got to reduce your feed grain production. That is what Marvin McLain said is important. That is what the Secretary of Agriculture said is important; that is what we are doing, we are trying to reduce the feed-grain production whether it is in Illinois or in Georgia, or elsewhere, but wherever they are, all farmers are treated alike anywhere in the United States.

We have heard a whole lot about second-class citizenship in the last few weeks and we are quite likely to hear a whole lot more in the days to come. Who is going to vote for second-class citizenship. Who is going to claim he is a friend of the farmer and vote to relegate the producers of 5 out of 6 of the great commodities of America into second-class citizenship.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I am sorry. The answer is still "No," until I have covered this matter, then I shall gladly yield.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. Mr. Chairman, I yield the gentleman 10 additional minutes.

The CHAIRMAN. The gentleman from Texas is recognized for 10 additional minutes.

Mr. POAGE. That, Mr. Chairman, is the problem that confronts us; that is what the committee was faced with. Now you ask, How did the committee attempt to solve this problem?

The committee attempted to solve that problem by recognizing those two principles I have mentioned. The committee attempted to do two things; first, to give to corn in the commercial corn area equal treatment with corn outside the commercial area.

I want to divert a minute, Mr. Chairman, to talk about this commercial corn area. There is not any other equal monstrosity in the agricultural laws. The commercial corn area is an area consisting of some 894 counties in the United States. It has almost doubled in size since being created. It is an area that enjoys special privileges, it is an area where producers get price supports that are not accorded to corn producers who farm outside the commercial corn area. It is an area of first-class farm citizenship. The corn farmer who does not live in that area enjoys a second-class citizenship and the feed farmer who grows corn equivalent—that is, maize or barley or oats or something of that kind—enjoys maybe third-class citizenship.

So we have established classes of feed farmers. There are no different classes of cotton farmers. They are all subject to the same law. There are no classes of tobacco farmers. They are all subject to the law. But in corn you must live in certain States to enjoy the full advantage of the law. You get a different price if you live in certain States, not based on proximity to market but simply because you are in that magic area—the commercial corn area—the area to which the Andresen bill would confine its payments. We did not think there was any rhyme or reason in maintaining a thing of that kind. We felt that we ought to treat corn like we treat every other commodity and say that if you decrease the production of corn anywhere in the United States it will decrease the total production of corn in the United States. Many thought that was sound. We did that with every other crop. So we said, if you decrease the production of corn anywhere in the United States we want you to decrease its production all over the United States.

The present law says, and the Andresen bill says, that you can balance something here. I have nothing better to balance than my spectacles. I push down on this end, what happens to the other end? Look at it. I push down on this end and what happens to the other end? You know what happens. It goes up, of course. That is what has happened to corn for a good many years. We have pushed down in the commercial corn area and feed production goes up outside. That is why Mr. McLain said that the bulk of this problem originated

outside the commercial corn area. So we felt that if we were going to spend a quarter of a billion dollars, a half billion dollars, \$900 million, or any other amount of money, in the commercial corn area only, that we better see to it that we would spend enough money in enough places to do some good, else whatever we spent was a total waste.

We spent \$179 million in paying for land bank retirement of acres in the commercial Corn Belt last year, but we did not reduce the commercial corn acreage. In fact, they grew 4 million acres more last year in the commercial area than their farm base of 51 million acres. We increased corn outside the area and we increased feed grains outside. We got absolutely nothing for our money.

So the committee said, let us adopt the reasonable proposition of treating everybody alike and of having the same principles apply across the board so that we will really get a reduction in the total production of feed grains. I think that is the only sound way of doing it.

The bill is, of course, rough. The bill has defects in it. There are amendments we need to offer; there are perfecting amendments which we will offer. We want you to understand that we are not bringing it to you as a perfect instrument.

Unfortunately, those who wrote the bill did not have any help, not a bit, from a vast number of the committee. Not one amendment was offered to this committee bill from the other side of the aisle. There were no suggestions, not one suggestion, as to how we could improve it. All we were told was, "Boys, we are faced with an emergency and we have got to do something for commercial corn because we are going to be planting commercial corn in April and May." Of course, we have already begun planting noncommercial corn and are planting it every day right now. We have already got cotton up and chopped out down in Hidalgo County, Tex. They talk of "emergency" just as if we from the deep South did not know anything in the world about an emergency or how soon you have to plant. Somebody has overlooked their geography and their almanac. We have been planting. We know about this emergency. And, we held subcommittee meetings every afternoon that the minority wanted to sit with us. We never refused to hold them one single day, although several times it was suggested, "Well, we have had too much. Let up stop awhile." We went right down the line with this bill and expedited it just as fast as we knew how. I do not claim any credit or merit for it, because we were trying to meet the emergency of our own farmers as well as of the corn farmers and we are convinced that our own emergency is just as great as that of the men who do not have to plant corn until in May. We believe we know something about that emergency, too, and we are just as anxious to get a bill passed here as anybody on this floor.

Now, folks, let us be reasonable about it. There is nothing involved here except whether you are going to treat everybody alike and try to get a bill that

does justice and equality to all; a bill that will reduce the feed grain acreage of the United States. On the other hand, you can vote for a bill that will take care of the pocketbooks of those who live in the commercial corn area only, but a bill which will not reduce the total of feed grains one single bushel. You have got your choice here. They are both expensive. They are both high-priced programs. But we are concerned with a serious and desperate problem. I agree so with my friend from Minnesota: We do have a desperate situation. We do have a situation that needs action now, but it needs to be taken on a nationwide basis and not on the basis of 7 or 8 States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 25 minutes to the gentleman from Colorado [Mr. HILL].

(Mr. HILL asked and was given permission to revise and extend his remarks.)

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Indiana.

Mr. HALLECK. I am quite sure that if the speech made by the gentleman from Texas is in the RECORD tomorrow, it will be read by a lot of corn farmers in the Middle West with great interest. While he says that the committee bill would take good care of the corn farmers of the Middle West, he certainly had a lot of things to say that did not indicate any real concern for them, and some of us may hope that many people out there read his speech.

Actually I was a bit surprised to hear him talk about second-class citizens, because we do not think the people engaged in agriculture in the South are second-class people. As a matter of fact, the figures show they have been doing pretty well. I have here average prices and percentage of parity for February 1957 showing the necessity for doing something about corn; maybe it is not prevalent at other places. These figures show cotton at 82 percent, wheat at 83 percent, rice at 84 percent, peanuts at 82 percent, tobacco at 88 percent, oats at 84 percent, and sorghums at 79 percent.

Where is corn? Corn is 66 percent. Now it looks to me like you have got this farm program manipulated to the point where some of you keep your prices up above 80 percent, but apparently you are perfectly willing to let the corn farmer go down to 66 percent of parity. And, I want to say that the agricultural economy of our commercial corn area is as vital to the overall economy of this country as any place you can find, and I, for one, must feel a little concern when the gentleman from Texas undertakes to write our program. I am hoping the gentleman from Texas [Mr. POAGE] will put the price tag on the part of the bill which goes beyond the Andresen substitute. As I understand him he says that the committee bill has the substance of the Andresen substitute which deals with corn, and by the most fantastic figuring I ever heard, apparently he was trying to get it up to \$2 billion. But before we get through I think we should know what the Andresen bill will cost and I think

that can be fairly well determined. The gentleman from Texas says that the committee bill beyond that is going to cost a lot of money. I hope that the gentleman from Texas, or the chairman of the committee [Mr. COOLEY], will put the price tag on it, the additional amount that it is going to cost.

I do not see any emergency in respect to that part of agriculture. I think the people in this country, the people who are paying the taxes, are going to want to know before we vote for the committee bill, just how much more it is going to cost.

Mr. HILL. Mr. Chairman, I would like to say to my dear Chairman on my right that I have agreed with him many, many times, but when he goes off on a tangent, I reserve the right as an American citizen—and not as a second-class citizen, nor do we have any in my territory—to differ with him. I do not yield to anyone in the matter of being able to read and write and understand. But he accused us, and pointed to me directly and used my name, of doing certain things. He said the wool bill was the Brannan plan. He could not have made a greater error if he had said he was the King of Siam. Such a statement would be in exactly the same class, for this reason. No. 1, this country produces a deficiency in wool. Wool is not a surplus product. The Brannan plan was never intended to handle a product in which we have a deficiency. Let us get that straight now. Let us begin to think these things through. The same thing is true of corn. Corn is not in the same class as tobacco. I am rather amused by my friends on my right who are trying to tell us what we should do in corn. I do not produce corn, although I was raised in a corn-producing county. At the present time I am in a sugar-beet area and a livestock area. But this is the first time since I have been a member of our committee, for 15 years, that the Congressmen on the right-hand side, the majority party, refused to listen to the corn producers on the left-hand side, and to let them write their own bill. Our good chairman has said time and time again that that is the way we should do it. But you are looking at a Congressman who has voted practically every time to let the peanut producers set up their own program. I would not vote to discount it or write it off the statute books today. If you are going to throw it out, give them some time—3 or 5 or 10 years to get out of the production of peanuts, or to get out of the production of other crops.

But we are here this afternoon to discuss a bill which I assure you is not in any sense a bill covering a product that can be handled like cotton. Corn is a special product, a separate product, and it must be so considered in this legislation, more so than any other product. Sixty-six to 75 percent of all the corn produced is either fed on the farm where it is produced or in the area. It is a product that is marketed through livestock. I hope we will keep that in mind as we continue this debate.

Since this is Ash Wednesday, I am going to try to be just a little tolerant.

I shall continue until I have finished my statement and then you may ask the other gentleman who follows me on this side any questions you wish.

Mr. Chairman, in this proposed legislation, H. R. 4901, reported by a one-vote majority by the Committee on Agriculture on which I have the honor to serve, we have an important and grave decision to make concerning our entire farm program. A decision which could have far-reaching and serious destructive effects on all farm-price supports.

Agricultural production does not operate as a manufacturing plant that can be curtailed or expanded at will or, like a water faucet—turned on or off. No, planning, planting, and cultivating of crops must be done far in advance of any opportunity to market them or to have definite information as to what the price might be when marketed or whether weather conditions would provide the opportunity for a harvest.

The Andresen bill, H. R. 3011, which I understand will be presented as a substitute by the minority, is strictly an emergency piece of farm legislation.

H. R. 3011 was introduced by Congressman ANDRESEN on January 16, 1957, almost 2 months ago.

We are not as a committee presenting you the Andresen bill but H. R. 4901. By the number of this bill you can understand it was introduced much later and has little or no resemblance to H. R. 3011.

To give the House an opportunity to work its will on this legislation the Rules Committee held two hearings and gave us a rule providing for the substituting of the Andresen bill—H. R. 3011—for the committee bill—Cooley-Poage bill, H. R. 4901.

May I congratulate our minority leader, Congressman ANDRESEN, in the thorough, fair, and broadminded procedure he has followed in providing the proper type of parliamentary procedure that is presented to us this afternoon. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has been unusually fair with the opposition by insisting at all times that H. R. 4901 is not emergency legislation, but a completely different approach to our entire basic 1938 Agricultural Act than does H. R. 3011.

It seemed to us at times during the hearings on this measure that the majority felt they could talk the life out of the Andresen bill, and when they could not succeed they produced a new bill—a monstrosity to my way of thinking and in no way could be called an emergency or a correction of the present situation in the corn program.

In H. R. 4901 the Committee on Agriculture is presenting to the House one more step along a dead-end street, which appears to some of us could lead directly to the end of all farm supports.

In my judgment the ultimate answer to our farm difficulties does not lie in this type of legislation. H. R. 4901 is based on the original act of 1938 which established six basic crops.

It is impossible to classify crops as basic on a selective basis. Within each of the six general categories of basic crops we find several different varieties,

marketed differently, used differently, and grown under different methods in the various locations or areas where each crop is produced.

An example of what I mean is tobacco. It is grown on limited areas with a high percentage of hand labor and cannot be compared to wheat grown in and on vast areas in the Plains States and using complete mechanization.

Why these two crops should both be classified as basic is a \$64 question. Wheat, certainly, but tobacco, never. Yet in spite of what I have said about these 2 basic crops all 6 basic crops: peanuts, rice, tobacco, corn, cotton, and wheat are more or less treated in the same manner under the basic act of 1938.

Time and time again since the basic act became law we have attempted to bolster up sagging farm prices on one crop or another until we find ourselves in a position where the support price on farm crops is kept in motion by depending on funds from the United States Treasury and the law of supply and demand is flouted. Such programs cannot possibly succeed and are doomed to failure in the end.

A new approach to the entire farm program should be devised and that would make emergency programs unnecessary. Frankly, I do not feel that anyone knows the answer, but we do know that many of our present programs are not functioning properly.

There is an emergency in the corn program and an emergency that we must meet immediately. In fact, this should have been the first order of business in our Committee on Agriculture for 1957.

Of course all feed grains should be tied into a general farm program. And what are the feed grains? They are all sorghums, oats, and barley as well as corn. This should and must be written on a long-range term and in no way should be in an emergency program. To saddle on to the soil bank the administration of thousands of acres of grain sorghums, with less than 1 year's operational experience, at a cost estimated over \$900 million would in my considered opinion spell the doom of any type or kind of a continuing soil-bank program. Utter confusion would reign and this patchwork legislation contained in H. R. 4901 would spell the end of what I have considered one of the finest programs for agriculture that this House has instigated—the Soil Bank Act with its acreage reserve and conservation reserve programs.

Let me remind you again that the Andresen bill is emergency legislation.

CORN AND THE SOIL BANK

When on January 30, 1957, Marvin L. McLain, Assistant Secretary of Agriculture, appeared before our committee he said:

Corn, our most valuable single crop, is not well adapted to acreage controls.

Less than one-third of our corn crop is sold off the farms where it is grown. Since only a small part of the corn crop enters trade channels, marketing quotas will not work, as the Congress wisely recognized when it repealed them in 1954. Hence the corn program must be voluntary.

When Congress was giving consideration to the soil-bank features of the Agricultural

Remember, this is in accordance with an act passed by Congress and is still the law. Thus, in accordance with the present law there is required an allotment of 37.3 million acres for 1957. This is about one-third fewer acres than were planted in the commercial corn area in 1956 and is the lowest per farm allotment ever received by corn farmers.

The vote was 61.5 percent of those voting in favor of the 51-million acre corn base with discretionary supports. This was just short of the two-thirds required. The vote by States was as follows:

Percent favoring
base acreage

State:	10 cent base acreage
Illinois.....	80.8
Iowa.....	59.5
Minnesota.....	23.6
Indiana.....	74.6
Ohio.....	71.3
Missouri.....	47.8
Wisconsin.....	55.0
Nebraska.....	50.0
South Dakota.....	27.0
Michigan.....	75.0
Kentucky.....	87.2
North Carolina.....	78.8
Pennsylvania.....	73.9
Georgia.....	85.9
Tennessee.....	86.9
Alabama.....	83.6
Virginia.....	50.9
Kansas.....	51.7
North Dakota.....	28.5
Maryland.....	67.2
Arkansas.....	59.6
New Jersey.....	80.7
Delaware.....	88.4
West Virginia.....	94.6

[In millions of acres]

Commodity	Actual allotment	Allotment as it would be in the absence of a minimum allotment
Wheat.....	55.0	12.4
Cotton.....	17.6	3.9
Corn.....	37.3	37.3

As a result of these minimum provisions in the law, the 1957 acreage allotment for wheat was about 42 million acres more than

1957 acreage reserve program: Preliminary allocation of funds

[Dollars]

[illegible]

1957 acreage reserve program: Preliminary allocation of funds—Continued
[Dollars]

State	Wheat (revised)	Corn	Cotton, upland	Rice	Tobacco				
					Flue-cured T-11-14	Fire-cured T-21-23	Burley T-31	Maryland T-32	Dark air- cured T-35-36
	1	2	3	4	5	6	7	8	9
New Jersey	176,000	735,000							
New Mexico	1,387,000		4,023,800						
New York	3,425,000								
North Carolina	1,727,000	3,969,000	6,695,100	200	12,695,000		385,500		
North Dakota	30,868,000	225,000							
Ohio	5,351,000	15,695,000					308,000		
Oklahoma	19,864,000		6,035,600	1,200					
Oregon	4,158,000								
Pennsylvania	1,092,000	3,916,000					100		
South Carolina	967,000		9,596,100	13,500	2,344,000		200		
South Dakota	9,058,000	7,224,000							
Tennessee	620,000	1,950,000	8,585,700	4,300		500,700	1,881,300		63,800
Texas	13,379,000		64,055,300	3,542,700			100		
Utah	2,241,000								
Vermont									
Virginia	853,000	713,000	236,900		1,896,000	217,800	405,700	800	
Washington	9,090,000								
West Virginia	116,000	91,000					83,300		
Wisconsin	252,000	9,089,000							
Wyoming	776,000								
Total	267,630,000	217,500,000	217,500,000	14,000,000	19,156,000	1,124,000	9,612,000	1,034,000	438,000

Prepared by: CSS, Soil Bank Division.

[Dollars]

State	Tobacco—Continued						Grand total	Tobacco subtotal
	Virginia sun-cured T-37	Cigar filler T-42-44	Cigar binder T-51	Cigar binder T-52	Cigar binder T-54	Cigar binder T-55		
	10	11	12	13	14	15	16	17
Alabama							14,542,200	11,800
Arizona							11,122,700	
Arkansas							24,379,200	1,300
California							26,152,700	
Colorado							22,684,000	
Connecticut			1,257,700	219,200			1,476,900	1,476,900
Delaware							727,100	100
Florida							808,300	376,000
Georgia							14,523,900	1,836,400
Idaho							7,820,000	
Illinois						100	42,819,600	400
Indiana						100	22,918,800	239,800
Iowa							44,513,200	200
Kansas							84,772,400	2,200
Kentucky							12,370,600	6,995,100
Louisiana							13,149,100	
Maryland							2,991,400	1,033,100
Massachusetts			5,300	781,600			786,900	786,900
Michigan							10,400,000	
Minnesota						4,300	23,128,300	4,300
Mississippi							26,355,600	
Missouri							21,372,600	85,700
Montana							15,079,000	
Nebraska							32,734,000	
Nevada							54,300	
New Hampshire				200			200	200
New Jersey							911,000	
New Mexico							5,410,800	
New York							3,425,000	
North Carolina							25,471,800	13,080,500
North Dakota							31,093,000	
Ohio		72,500					21,426,500	380,500
Oklahoma							25,900,800	
Oregon							4,158,000	
Pennsylvania		500					5,008,600	600
South Carolina							12,920,800	2,344,200
South Dakota							16,282,000	
Tennessee							13,605,800	2,445,800
Texas							80,977,100	100
Utah							2,241,000	
Vermont				1,000			1,000	1,000
Virginia	69,000						4,392,200	2,589,300
Washington							9,090,000	
West Virginia							290,300	83,300
Wisconsin					74,800	204,500	9,620,300	279,300
Wyoming							776,000	
Total	69,000	73,000	1,263,000	1,002,000	75,000	209,000	750,685,000	34,055,000

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman from Texas [Mr. POAGE] stated that the Secretary of Agriculture fixed allotments for corn acreage and for these other commodities. Did the Secretary of Agriculture do it arbitrarily or did he do it under the formula in the acts of 1938 and 1948? In other words, was the Secretary required by law to follow a formula in establishing the corn-acreage allotments?

Mr. HILL. That is exactly what he had to do. Mr. McLain in his testimony said it had to be done.

As a result of this amendment in the law the 1957 acreage allotment for wheat was 42 million acres more than needed to justify the supply. Cotton was 14 million above the level and the situation in rice was similar. In the case of corn there was no minimum acreage required in the formula.

Let me say to you frankly, if you had treated corn like you treated wheat and cotton, today you would have only 3.9 million acres of cotton and 12.4 million acres of wheat. It is almost impossible to believe that. And you would still have 37.3 million acres of corn.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HALLECK. Those figures ought to be understood by everybody when the gentleman talked about second-class citizens with respect to agriculture. As the gentleman has pointed out, if you do not have legislation that provided for this minimum for cotton and for wheat, the acreage that would be allowable under the program would be down to the point where people could not live at all. So apparently it is a bad thing for us who represent corn sections to come in and ask for the same kind of treatment.

Mr. HILL. What makes the whole argument so ridiculous and so out of line is that the law requires that the Secretary take a vote, and you have to have 66⅔ majority of the corn farmers voting in a commercial district before you can apply the base acreage program. We did not get that.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield further?

Mr. HILL. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman from Texas [Mr. POAGE] also mentioned that we ought to have equality of treatment for all farmers. I agree with that statement, but I want to point out the fact that we passed legislation fixing the wheat acreage at 55 million acres minimum. We did that back in 1939. For cotton acreage we started out in the act of 1938 with 10 million bales. Afterward we fixed that by law as emergency legislation, over 17 million acres for cotton, and we did the same thing for rice and peanuts. So, there has been equality of treatment.

The CHAIRMAN. The time of the gentleman from Colorado has again expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield.

Mr. HOEVEN. Referring to the table the gentleman is discussing, it might be interesting to cite some of the figures showing how some of the Southern States voted in the referendum.

Mr. HILL. I would like to tell the chairman about his own State, if I may have his attention.

Mr. COOLEY. I wanted to get the gentleman's attention a moment ago and he would not give it to me.

Mr. HILL. I will give the gentleman my attention now. If he wants to know what is happening in his State, 78.8 percent of all the corn growers in the commercial area in the gentleman's State—

Mr. COOLEY. The most intelligent farmers in the country.

Mr. HILL. They voted 78.8 percent for what the bill by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], is doing.

Mr. COOLEY. Not for what Mr. ANDRESEN was trying to do.

Mr. HILL. Not for what you are trying to do.

The other high one is Illinois. The corn growers of Illinois voted 80.8 percent. If the Members would like to know how their own States voted, I will tell them, but it might be embarrassing. Pennsylvania even voted 73.9. New Jersey voted 80.7.

So much for that.

Mr. COOLEY. Will the gentleman yield? I did not understand that.

Mr. HILL. I have one more statement to make and would like to finish but I will yield to the gentleman before I continue.

Mr. COOLEY. I agree that North Carolina did vote very intelligently, but, unfortunately, the vote was not sufficient to put the program into operation, and the gentleman knows that the farmers voted against the proposition because they did not have any faith and confidence in Mr. Benson, Secretary of Agriculture, and they were afraid they would even lower the price-support program further.

Mr. HILL. Since the gentleman mentions that I will say that there were three States that defeated this, Minnesota, North Dakota, and South Dakota. They voted way up in the seventy-odd percent to be against this bill, and they did that—I also read from the RECORD—because of a certain farm organization that went up in that territory and conducted a campaign against the very point Mr. ANDRESEN's bill provides.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Texas.

Mr. POAGE. I should like to point out that when he gave the good Lord credit for North Carolina, perhaps the gentleman from North Carolina [Mr. COOLEY] had something to do with it, too.

Mr. HILL. Yes; we agree.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. HILL. Mr. Chairman, I yield 15 minutes to the gentleman from Iowa [Mr. HOEVEN].

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, I regret the circumstances under which H. R. 4901 comes to the floor of the House. It comes to you from a committee split right down the middle on political lines. In fact, on a vote to report out the bill, the vote was 16 to 16, with 2 Members voting present. Thereafter, 1 Member who voted present changed his vote in favor of the bill which finally was reported out by a vote of 17 to 16. Such a close vote on legislation affecting the welfare of the corn producers of this country is not good for the best interests of American agriculture.

Now, I have great respect for the gentleman from Texas [Mr. POAGE]. He is one of my closest friends. But, I regret the statement he made regarding the corn farmers of this country. I wonder if the gentleman's attitude against the corn farmer is the attitude of the Democratic Party. No corn farmer who reads his speech in the RECORD tomorrow morning will be happy about the way our corn producers have been castigated in the House this afternoon, and certainly no corn farmer in the Corn Belt that I know of would want the gentleman from Texas to write their corn bill.

On January 30, 1957, I introduced H. R. 4105, a bill similar to H. R. 3011, the Andresen bill, with one change. My bill made price support available for the 1957, 1958, and 1959 crops of corn at a level not less than 75 percent of parity, or for the life of the soil bank. It is my understanding that an amendment incorporating the limitations in my bill will be presented by Mr. ANDRESEN to his own bill when it is offered as a substitute for H. R. 4901, now under discussion.

Throughout the consideration of the Andresen bill and other companion bills, including my own, I emphasized the need for prompt and emergency legislation. I pointed out time and time again that the result of the corn referendum last December left the corn producers in a state of great confusion; that the sign-up date for the soil bank program was rapidly approaching; and that the corn producers of the country were entitled to know what they could expect from the Congress at the earliest possible date. The corn producers plan their farming operations well in advance of the planting season and today, as of this very hour, the corn farmers do not know what to expect.

In asking for emergency legislation, we from the Corn Belt agreed in committee that after an emergency corn bill passed the House, we would be willing to immediately consider legislation dealing with the other basic commodities and feed grains in relation to amending the Soil Bank Act. However, this was to no avail. We were advised politely but firmly that it was the Democratic corn bill or nothing.

The consideration of emergency corn legislation has been retarded and somewhat delayed. I charge no one with an ulterior motive in this regard, but I do want to state very emphatically that if there is no legislation to meet the emergency in the Corn Belt within the next

few weeks, the fault will lie at the doorstep of the majority members of the Committee on Agriculture and on the majority party which controls the Congress. The Andresen bill, H. R. 3011, was introduced on January 16, 1957, a week after the Congress convened. Shortly thereafter, Mr. ANDRESEN, the author of H. R. 3011, in writing asked Chairman COOLEY of the Committee on Agriculture to hold prompt hearings on H. R. 3011. All members of the Committee on Agriculture from the Corn Belt urged prompt consideration of the Andresen bill. However, the committee was advised that the so-called deferred grazing bill sponsored by the gentleman from Texas [Mr. POAGE] would have priority over corn legislation. We were told that the deferred grazing bill was an emergency measure and that it was entitled to have prompt and emergency action. The minority members on the committee accepted this in good faith, and we went along with the deferred grazing bill, assuming all the time that emergency corn legislation would be next on the committee agenda. At least there was a gentlemen's agreement that this would be the case. The deferred grazing bill therefore was unanimously reported by the Committee on Agriculture and the bill subsequently passed the House with the votes of practically all the Republican members of the committee.

On January 30, 1957, the committee began consideration of the Andresen bill, H. R. 3011. Early in the hearings the chairman of the committee, Mr. COOLEY, and other ranking Democrats on the committee advised the minority members of the committee in no uncertain terms that there would be no emergency corn legislation as such; that if we expected a corn bill we would have to take the Democrats' version of the legislation, which would include other basic commodities and feed grains. The outgrowth of all of this was H. R. 4901, offered by Mr. POAGE as a substitute for the Andresen bill. In spite of our pleas and protestations, the substitute was approved by the committee by the close vote previously indicated.

No hearings were held before the Committee on Rules on H. R. 4901 until February 22, 1957, and a rule was finally reported on March 1, 1957. Thus, the legislation comes before the House almost 2 months after the Andresen bill was first introduced. During all of this time, the emergency in the Corn Belt continues, and no definite solution of the problem appears in sight before the corn planting season arrives.

I am really beginning to wonder whether the majority members of the Committee on Agriculture really want a corn bill. The delay to date certainly indicates that they are not willing to cooperate with the members of the committee from the Corn Belt in enacting legislation as expeditiously as possible. And let me say to the membership that this is quite a departure from previous actions of the committee in meeting emergency problems and enacting emergency legislation whenever and wherever needed. Now we are told we must accept H. R. 4901 or we get nothing.

Let us see how we have handled emergency farm legislation during the past several years. I have had some check made of House actions on so-called emergency farm legislation from the 82d Congress to date. For instance, in the 82d Congress on July 2, 1951, the Committee on Agriculture unanimously reported H. R. 4475, a bill dealing with tobacco marketing quotas. The bill authorized the Secretary of Agriculture to make 1-year adjustments in the marketing quotas of various types of tobacco whenever necessary because of a supply situation. The bill passed the House unanimously with practically no debate.

Also, during the 82d Congress the Committee on Agriculture reported out H. R. 2615, dealing with peanut acreage allotments and marketing quotas. In presenting the rule, the gentleman from Virginia [Mr. SMITH], chairman of the Rules Committee, said:

Since the last World War the allotment of peanut acreage has been reduced nearly 50 percent. That has brought about a shortage in certain varieties of peanuts which it is very essential at this time should be taken care of.

Later in the debate the chairman of the Committee on Agriculture, Mr. COOLEY, said:

Unless the law is amended as here proposed, the proclamation and order issued by the Secretary of Agriculture further reducing the acreage of peanuts will be applicable to peanuts of all types grown in all areas, which actually means that in the North Carolina-Virginia area where the jumbo peanut is grown, producers will be required to take a further reduction of 16 percent. This actually means, of course, that we will be further curtailing the production of a commodity which is in short supply. That is one of the situations that prompted the introduction of this legislation.

Needless to say, this emergency legislation passed the House on a division vote.

Again during the 83d Congress the Committee on Agriculture reported out H. R. 6665, a bill relating to cotton and wheat allotments and marketing quotas. This bill, among other things, increased the cotton-acreage allotment for 1954 to 21 million acres. The bill, of course, was handled as emergency legislation and in the debate on approval of the conference report on January 21, 1954, the gentleman from Alabama, Mr. Battle, then a Member of the House, said:

Mr. Speaker, the farmers in Alabama are ready to plant their crops. The corn farmers in the Midwest are ready to plant their crops.

Mr. Battle continued:

Some immediate action is necessary.

A conference report was approved promptly without even a record vote.

In March 1955, during the sessions of the 84th Congress, the House Committee on Agriculture reported out three emergency rice bills, to wit, H. R. 2839, H. R. 4356, and H. R. 4647. These bills all related to rice allotments. The first two of these bills passed the House by unanimous consent. During the same session of the Congress the House passed S. 2511 and S. 2573 relating to rice allotments and quotas, both being passed by unanimous consent.

During the 84th Congress the House also passed S. 2295, House Joint Resolution 455, House Joint Resolution 518, and House Joint Resolution 521, all relating to emergency tobacco legislation. In the consideration of House Joint Resolution 455 the gentleman from Kentucky [Mr. WATTS] said:

Due to the fact that plant bed sowing time is at hand and the necessity for the farmer to expeditiously know the acreages this legislation, through the fine cooperation of all who are interested in the welfare of the tobacco farmer, has been brought to the floor under suspension of rules in order that it can secure early and expeditious consideration.

Mr. WATTS further said:

If this legislation is not enacted and a 15-percent cut is allowed to stand, many small farmers and tenants will have to leave the farm and seek employment elsewhere. This would be tragic not only to the section of Kentucky that I represent, but to all of the burley tobacco-growing areas.

During this same debate the gentleman from Kentucky [Mr. CHELF] said:

I do sincerely urge you to pass this House Joint Resolution 455 that will restore this 15-percent cut that Secretary Benson has put into effect. My farmers are suffering—there is much discontent. This is their cash crop—their very economic lifeblood. We must act now.

Again, needless to say, House Joint Resolution 455 passed the House by unanimous consent as did the other two resolutions.

In referring to the several emergency farm bills passed by the House during the past few years, I do so simply for the purpose of pointing out that the Committee on Agriculture heretofore and throughout my service on the committee has handled all emergency legislation expeditiously and with great dispatch. But now, for the first time during my long service on the committee I find that while remedial and emergency legislation has been passed for cotton, peanuts, and tobacco, an emergency corn bill is a "horse of another color."

Mr. COOLEY says that he permitted Members from the Corn Belt to write the corn bill. The facts certainly indicate otherwise. We were told very firmly but politely that if we were to have a corn bill this year it would be the Democratic version of the corn bill or nothing.

So we are asked to swallow, hook, line, and sinker, a Democratic version of a corn bill not proposed or endorsed by members of the Committee on Agriculture from the Corn Belt, but a corn bill sponsored by members of the committee from the cotton, peanut, and tobacco sections of the country. It seems perfectly right and proper when we from the Corn Belt support emergency cotton, peanut, and tobacco legislation; but we from the Corn Belt are all wrong when we ask those from the cotton, peanut, and tobacco sections of the country to come to our relief. What is "sauce for the goose" is quite apparently not "sauce for the gander" at this time.

I urge my colleagues on both sides of the aisle to support the Andresen substitute which will be offered to the bill now under consideration. In my humble opinion, the Andresen substitute is the only bill which can possibly be enacted

into law at this session of the Congress. It will be the Andresen bill or nothing as far as emergency corn legislation is concerned, and we might as well be realistic about the matter and face the facts. There is no possibility of H. R. 4901 being enacted into law. It does not have the approval of the Department of Agriculture, and I predict that H. R. 4901 will be vetoed by the President if it ever reaches the White House. In the meantime, it is my understanding that leaders on the Committee on Agriculture and Forestry in the other body have announced that they will not support H. R. 4901; so it seems to me that the sponsors of H. R. 4901 are going through a lot of shadowboxing in trying to do a vain and useless thing in attempting to get the bill enacted into law.

If the Andresen substitute is defeated, the corn producers of the country will most surely know that there is little or no chance of enacting any emergency corn legislation this year. The passage of the Andresen substitute is their only hope.

If no emergency corn legislation is enacted within the next few weeks prior to corn-planting time, I predict that the corn producers in the Corn Belt will produce an overabundance of corn this year. If this happens, it will only add to our surplus problems. Furthermore, it will result in cheap corn being fed to livestock at the very time when we are making progress in cutting down in livestock numbers. Cheap feed always means cheap cattle and hogs, cheap dairy and poultry products, and less income for the farmer.

Agriculture is the Nation's basic industry, and the welfare of our entire economy is directly related to farm prices and the welfare of the American farmer. If the Congress fails to support our corn farmers during this emergency, it will have to assume the responsibility of further contributing to the farm unrest which is so prevalent throughout many of the farm areas of the country today.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. HOEVEN] has again expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

In reply to what the gentleman from Iowa [Mr. HOEVEN] has just said, I want to tell the committee that never at any moment have I employed any dilatory tactics in the consideration of this legislation. I even offered to stay in Washington through the weekend and work on Friday and Saturday, or as long as necessary to bring this legislation to the floor. I applied for a rule at the earliest opportunity. Actually, the motion to adjourn over the weekend came from the minority side and not from the majority side of our committee.

After this matter has been presented on this debate and has been concluded, no one on the minority side will tell you any good reason why you should vote against the bill as it has been presented to you by the committee. They scream out emergency. All right. Suppose it is an emergency. Why delay it? Why not pass it and get it behind us and send it to the White House? Who among you,

I ask, has been authorized by the Chief Executive of this Nation to come on this floor and suggest that he will veto this bill? I do not believe he will veto it. I have no way of knowing what he would do, and I do not think any of you know what President Eisenhower will do. I ask you now, instead of arguing about an emergency, why do you not do something about the emergency? Why not pass the bill and send it to the White House and see whether or not the President will veto it?

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOLEY. I yield myself 3 additional minutes. I ask the next speaker to tell why he is against the bill. The gentleman from Iowa did not do it. The gentleman from Minnesota did not do it. Not a single Member on the minority side has done it.

Mr. HARVEY. Will the gentleman yield?

Mr. COOLEY. In just a moment. I want to be a little more polite than the Members on that side have been to me and I will yield a little later.

There was not a Republican member of our committee who offered a single amendment. I begged you to offer amendments. I said, "If you do not like the bill, tell me whereip you do not like it. Offer an amendment to change it." Time and time again I called for amendments, and not one was offered. On the other hand, not one was accepted. We even offered to put the Ten Commandments in the bill, and we received no encouragement, from your side, to believe that you would vote for it even if we put the Ten Commandments in it.

Mr. HILL. You do not think it would do any good, do you?

Mr. COOLEY. Yes; I think probably it would.

We are going to consider the bill under the 5-minute rule. Draft your amendments as well as you have drafted your speeches. Prepare your amendments and present them and perfect the bill. This bill, as the corn section is written, comes out almost the same net result in acreage as the Andresen bill. From the standpoint of price support, it is exactly like the Andresen bill. That price-support provision was put in for purely political purposes. I am willing to approve it, with both of those references in mind, because I want the farmers to know that it is not the intention of the Congress to lower prices below 75 percent of parity.

Now, let us face up to the situation. If there is any politics in this fight it certainly was not engendered by anything the chairman or vice chairman of the committee [Mr. POAGE] has done. We begged for amendments; I am now begging you for amendments. You heard me. It was the Andresen bill or nothing. "We will not compromise." That is what was said in the committee. On the other hand we said: "We will compromise. Every section in this bill is open to compromise and to reason," but the gentlemen on the minority say, "No; it is the Andresen bill or nothing."

Now, we shall find out about it. Ask me what the committee bill will cost? I am not able to answer.

What will the Andresen bill cost? I am not able to answer, but the gentleman from Texas [Mr. POAGE] gave some pretty good figures on the cost of it, and he challenged you to disprove the accuracy of his calculations.

Now, if you earnestly want to help the corn farmers, let us sit down together and write a corn section. If you want to substitute the Andresen corn section let us vote on it, but let us not knock out everything else in the bill which will enable the Secretary of Agriculture to control the production of field grains in the Nation.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. COOLEY. Mr. Chairman, I yield myself 2 additional minutes and yield to my friend the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. I thank the gentleman but I do not want the gentleman to yield to me now.

Mr. HARVEY. If the gentleman will yield, I did offer an amendment to the gentleman's bill.

Mr. COOLEY. What is it? What was your amendment? Are you ashamed to tell the House what your amendment was?

Mr. HARVEY. I will provide it for the RECORD.

Mr. COOLEY. No; I am asking you, in fairness to the House, to point out to us what your amendment was.

Let me tell you that we actually voluntarily amended the bill by changing the \$20 minimum to \$10 in an effort to appease the gentleman and to please him; and we offered to take out the \$50 maximum if that would please him. Nothing would please him except complete and abject surrender to the minority. You wanted the bill your way or not at all.

You will have an opportunity to vote on these different bills when we reach consideration under the 5-minute rule, and you will have an opportunity to pass on the Andresen bill on final passage when the Committee of the Whole rises and we come back to the House.

I come from the commercial corn area and I am intensely interested in the producers of corn as I am in the producers of other crops, but I have been here long enough to know I cannot always have my own way. I know we must compose our differences in a reasonable way.

(Mrs. SULLIVAN (at the request of Mr. COOLEY) was given permission to extend her remarks at this point in the RECORD.)

Mrs. SULLIVAN. Mr. Chairman, as the representative of an urban district, wholly within the city of St. Louis, where we do not have a farm problem as such, I have nevertheless always felt that we must include the farmer in our prosperity or else our prosperity will be a false one.

Farmers no longer make up the percentage of the total population that they once did, and there are some who tell us that our economy is no longer very dependent on the farmer as a purchaser. That may or may not be true. But from my own limited experience in this field, I

have seen how we in the cities—our factories and plants and employment levels—suffer when the farmers are in depression. And it is certain that the farmer, the average small farmer, has had a very difficult time of it ever since the Eisenhower administration came into office 4 years ago. The farmer has, as a group, been below parity ever since, and I can attest to the fact that industries in our cities dependent upon the farmer have felt this farm depression in many ways.

Therefore, I intend to support legislation designed to benefit the average farmer and to raise the level of farm income. I have always done so in the past.

But I am taking this opportunity to raise a question which disturbs us deeply in our cities—and particularly in cities like St. Louis where we have a large group of people who frankly are not now getting sufficient nourishing food.

Our question is this: Why, why, why—when the major farm problem is said to be overproduction, when the Benson regime is working overtime trying to devise means for giving surplus food away overseas and to pay the shipping charges and the packaging charges in getting it overseas, when we have this surplus spoiling in warehouses and costing a million dollars a day to store, when we have farmers in distress because their overproduction, so-called, brings them inadequate prices—then why, we ask, cannot we get into operation an effective food-stamp plan for distribution of some of this food to our needy here in America?

Oh, I know there is a surplus disposal program. I know 39 States participate in it, and Missouri does not. But the 39-State program is a hit-and-miss program. It depends so heavily on local expenditures that many jurisdictions, including Missouri, have found it impractical.

Even the District of Columbia does not participate in it. If it were a half-way effective program for getting food to the needy, surely the Eisenhower administration could arrange to have it operate here in the District, which is directly under White House jurisdiction.

It is not a feed-the-hungry program here in this country; it is a dump program, to get rid of as much food as possible in the biggest volume, in as few places as possible.

I have asked for this time to urge that we do the same thing about a food-stamp plan for the needy as we are doing in this bill for the farmer—that is, say to Mr. Benson that we do not care any longer what his position is on this subject, because he has failed in his job and his programs are failures, and we are going to do something about it.

We know that surplus stocks are now simply overwhelming, and that we, nevertheless, have hunger, actual hunger, in this country.

We must get this food, more of it, to the tables of those in our country who do not get sufficient food, those on welfare, on public assistance, on relief.

Mr. Benson has said he does not believe in a food-stamp plan. Too bad. He

has also said he does not believe in this corn-acreage allotment bill as reported by the Committee on Agriculture. We are saying in this bill that we do not care what he thinks about this issue—Congress feels we must act to help the farmers affected by this bill, regardless of the Secretary. I am asking that we adopt the same approach on this question of food-stamp distribution. I hope I can count on the help of all of those Members who are planning to vote tomorrow for this bill; count on them that they will also support my food-stamp plan despite Mr. Benson, and help us get some of this food to hungry Americans in need.

In conclusion, I would like to read a paragraph of a letter I have just received this week from Mr. Obenauf, of the Grace Hill House, in St. Louis:

If various Members of the House and Senate could only sit in my office from time to time and hear the stories of need and destitution which neighborhood folks pour out to me, there would be little opposition raised to your proposal. How some of our families ever manage to subsist is beyond me. Additional food, distributed under such a program as you suggest, would have value far beyond the small cost involved.

The CHAIRMAN. The gentleman from Minnesota has 1 hour and 50 minutes remaining; the gentleman from North Carolina has 1 hour and 43 minutes.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. HOEVEN].

Mr. HOEVEN. Mr. Chairman, I am sorry I did not have an opportunity to yield to my colleague from Iowa [Mr. COAD]. I would like to yield to him now if he desires to ask a question.

Mr. COAD. I appreciate very much the gentleman's kindness. There are a couple of questions I would like to ask. First of all, does the gentleman agree or not that the feed-grain problem is a problem concerning the Iowa corn farmers as well as the other corn farmers?

Mr. HOEVEN. I do, sir; and as far as I am concerned I am willing to sit down in the Committee on Agriculture immediately after we have passed an emergency corn bill and work on new amendments to the Soil Bank Act dealing with other basic commodities and feed grains.

Mr. COAD. Can the gentleman tell me at this point, then, why the members of the minority or the administration are not willing in this bill to go into this aspect of it?

Mr. HOEVEN. I think I made that perfectly clear in my general remarks. All we are doing here is shadow boxing. I am sure the committee bill will be vetoed, and if it is, we will likely wind up without any corn legislation at all. I think the Andresen bill is the only hope for the corn farmers at this session of the Congress.

Mr. COAD. Who said this bill would be vetoed?

Mr. HOEVEN. I have it on very reliable information, I will say to my friend.

Mr. COAD. Is this a thinly veiled threat or intimidation?

Mr. HOEVEN. Not at all. I try to be a realist and face facts as they are.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. COOLEY. Mr. Chairman, I yield such time as he may desire to the Speaker of the House [Mr. RAYBURN].

Mr. RAYBURN. Mr. Chairman, as everyone knows, on the 4th of March last I began my 45th year as a Member of the House of Representatives. I have been in the majority a great deal more than in the minority.

I have voted for bills that I knew my President was not for. I voted to pass some of them over a Democratic President's veto. But never in all my life did I get up and try to make an argument for or against a bill on the theory of whether the President of the United States would sign or veto it.

I certainly think that these threats of presidential veto, when the House of Representatives is in the serious business of discharging its responsibilities, and they are just as great as the Executive's, is a mighty poor showing, and I think it comes with very poor grace for anyone to get up and talk about or advocate legislation on the theory of whether or not the Chief Executive will sign or veto it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Indiana [Mr. BEAMER].

(Mr. BEAMER asked and was given permission to revise and extend his remarks.)

Mr. BEAMER. Mr. Chairman, my interest in the legislation presently before the House stems from many sources. First of all, I claim farming as my business and look upon it as one of the most important enterprises in the economic world. Secondly, this legislation pertains to corn which is our most important and most valuable crop. It ranks far ahead of any other crop.

Rank	Crop	Value of the crop, 1955 (million dollars)
1.....	Corn.....	\$4,571
2.....	Hay.....	2,302
3.....	Cotton.....	2,152
4.....	Wheat.....	1,970
5.....	Tobacco.....	1,147
6.....	Soybeans.....	1,012

Peanuts rank 15th in this list with a value of \$175 million.

Corn is a basic crop in every sense of the word. In most of the country and, especially, in our section of the Midwest, corn is consumed by livestock instead of being sold as a cereal or feed crop. That means that corn seldom leaves the farm except as it is expressed in pounds of pork and beef. Thus, not only for the corn growers but, also, for the feeder of hogs and cattle, the value of corn is reflected in the price of hogs and cattle and the farmers' economy exists upon this relationship.

I have joined others from the Midwest in voting for the benefit of the wheat farmer, the cotton farmer, and the tobacco farmer when the Representatives from those areas presented their case. It was felt that the interest of the farmers everywhere should be recognized.

Now, the corn farmer needs help. There have been many acres diverted from other basic crops and many of these diverted acres have been planted in corn or other feed grain crops. Thus, while out of the bigness of our heart, we were attempting to help farmers in other areas, it has happened that their eagerness to use their idle acres has brought competition to the corn farmer that was not of his choosing, nor of his making.

Last December corn farmers voted on whether they wanted higher acreage and lower supports, or lower acreage and higher supports. Nearly 40,000 farmers in my home State of Indiana voted in this referendum and 74.6 percent voted in favor of a base acreage program in-

stead of the acreage allotment program. There also was the requirement that an acreage equal to 15 percent of the soil bank base be put into the soil bank in order to be eligible for price supports. The result of the total vote in corn-producing States that were permitted to vote represented 61.5 percent of the farmers voting in favor of the base acreage program.

Unfortunately, the law requires a two-thirds vote which is a strange departure from usual voting procedure and, thus, the very necessary and important program failed even though a large majority had voted in favor of it. The December 1956 corn referendum by States follows:

December 1956 corn referendum vote by States

State	For corn base-acreage program	For corn acreage-allotment program	Total votes cast	Percent favoring base-acreage program	Percent favoring acreage-allotment program
Alabama.....	3,223	633	3,856	83.6	16.4
Arkansas.....	1,123	761	1,884	59.6	40.4
Delaware.....	336	44	380	88.4	11.6
Georgia.....	3,808	625	4,433	85.9	14.1
Illinois.....	58,592	13,949	72,541	80.8	19.2
Indiana.....	29,147	9,917	39,064	74.6	25.4
Iowa.....	51,724	35,177	86,901	59.5	40.5
Kansas.....	3,793	3,545	7,338	51.7	48.3
Kentucky.....	11,014	1,620	12,634	87.2	12.8
Maryland.....	817	399	1,216	67.2	32.8
Michigan.....	8,032	2,678	10,710	75.0	25.0
Minnesota.....	10,939	35,495	46,434	23.6	76.4
Missouri.....	10,987	12,488	23,475	47.8	52.2
Nebraska.....	16,656	16,655	33,311	50.0	50.0
New Jersey.....	364	87	451	80.7	19.3
North Carolina.....	16,042	4,317	20,359	78.8	21.2
North Dakota.....	235	591	826	28.5	71.5
Ohio.....	17,236	6,943	24,179	71.3	28.7
Pennsylvania.....	2,555	904	3,459	73.9	26.1
South Dakota.....	4,851	13,126	17,977	27.0	73.0
Tennessee.....	9,158	1,377	10,535	86.9	13.1
Virginia.....	1,009	972	1,981	50.9	49.1
West Virginia.....	229	13	242	94.6	5.4
Wisconsin.....	7,315	5,979	13,294	55.0	45.0
Total.....	269,185	168,295	437,480	61.5	38.5

From this tabulation, it must be emphasized that most of the heart of the Corn Belt lies in Indiana, Illinois, Iowa, and Nebraska; 28 million acres of the 49-million-acre allotment of 1955 were in these 4 States; 232,000 corn farmers from these States voted in the December referendum. Over 156,000 of these farmers, or 67 percent, voted for the soil-bank base and against acreage allotments. It is of considerable importance to me that the Farm Bureau, as one large representative farm organization, favors giving the farmers the kind of program the majority voted for in December 1956.

The Indiana Farm Bureau has more than 130,000 members. The Illinois Farm Bureau has more than 200,000 members; the Iowa Farm Bureau has 131,000 members; and the Nebraska Farm Bureau has 18,000. This is a total in excess of 479,000 members in just those 4 corn States.

Since this organization is strongly on record in favor of corn legislation this year which will not give the corn farmers a bit more than they were offered by the Congress in the 1956 referendum, I think it is important that we take this large body of opinion into account in arriving at our decision.

For the past several years the corn farmers in the commercial corn area have been planting approximately 56

million acres of corn. Unfortunately, the drought reduced the production of corn in many areas but even so, the crop in 1956 was one of the largest in history. Other areas outside of the drought sections were blessed with unusually good crops. Modern hybrid corn, improved fertilization, and the general advancement in agriculture, have made possible this increased production. Under the formula in the law and as a result of the failure to obtain the necessary two-thirds vote in the referendum, the 1957 corn allotment had to be set at 37½ million acres. This represents a cut of approximately one-third. Thus, actually farmers were unable to begin to participate in the soil-bank program until they had cut their corn acreage one-third. Then they would begin to participate at an average rate of approximately \$43 for each additional acre cut below their allotment. Actually, the rate per acre will be slightly higher in our section but the average indicates the fact that the farmers could not afford to participate because it would be unprofitable to them except under the most unusual circumstances.

I have spent a greater portion of my spare time in the district with farmers, farm groups, and others who sell to or are associated with agriculture. The general attitude, especially in our section of

the Midwest, is that the soil bank is a very necessary and desirable program if it can be made effective. To become effective, it should remove or divert acres from production for both conservation purposes and for the reduction of surplus crops.

The surplus-feed situation is weighing heavily on the income of farmers but encouraging the production of the surplus of livestock and livestock products. It is urgent that we do something now to relieve the corn farmer. The bill presented by the gentleman from Texas [Mr. Poage], and the gentleman from North Carolina [Mr. Cooley], falls far short of being any help to the corn farmer. It is terrifically expensive, not only to the farmer but, also, to the entire economy. Year after year there has been brought to this floor, special legislation to take care of problems concerned with other commodities and, in many instances, these special programs have been approved and have become law without being loaded down with amendments and provisions calling for special consideration of other commodities. Now that we have a problem affecting corn, we ought to do something before corn-planting time in order that we could get the kind of participation in the soil bank that will make a real contribution to bringing supplies into line with demand.

I certainly do not feel that this 1-year temporary measure is the answer to the surplus feed grain problem. However, we know that corn is the main feed grain. We also know that unless action is taken now to encourage more participation in corn, no adjustment will be made in production. We also know that it is a very difficult and complex problem to work out a sound program that would include all the feed grains. This is a very serious step that requires lengthy consideration. We do not have time before corn-planting time to include the other feed grains. Since corn has been carrying the load up to now for any adjustments that are made, it seems reasonable to take care of the problem with temporary legislation for corn in 1957 and immediately go to work on solving the broader feed grain problem. I am sure this is what the farmers in my area would like to have the Congress do.

I shall support the Andresen amendment or substitute bill which I feel is a nearer approach to the solution of our problem. I personally feel, along with many other farmers with whom I have discussed this problem, that we should have legislation that would provide for:

First. Discontinuing acreage allotments for corn;

Second. A 51 million acre corn base for the purpose of participating in the soil bank acreage reserve program;

Third. Price supports at a level which will assist farmers in marketing their corn, but will not encourage the uneconomic production of corn; and

Fourth. An acreage equal to 15 percent of the farm corn base acreage to be put into the soil bank as a condition of eligibility for price support on corn.

It would seem that this acreage should be permitted to be placed into either the

acreage reserve or the conservation reserve or a combination of both programs.

I have read some of the other bills that have been introduced, such as H. R. 3935 by the gentleman from Illinois [Mr. ARENDS], and H. R. 4555 by the gentleman from Nebraska [Mr. HARRISON]. It seems that this type of proposal also carries out the wishes of the hog and corn farmers with whom I have been in contact.

The farmers with their corn planters will have the opportunity of making it crystal clear to everyone, both inside and outside of Congress, which program they prefer. In my discussions with my farmer acquaintances and friends, I feel that the overwhelming majority of the farmers will choose the soil bank acreage approach and the lower support price per bushel.

This is the time when partisanship should play no part in legislation. My plea is that all of us will look at this legislation from the point of view of the taxpayer and the future generations. An honest corn program will mean an honest and fair income for grain farmers and for feeders of livestock. This, in turn, will continue to assure the consumer an honest and fair price for the necessities of his table and, at the same time, help to assure him of a continuing job as a result of the increased demands that the farmer will have for the products of the city.

Equally important is the necessity for the conservation of our natural resources. Our fathers have given us good soil and we should not betray our trust. A soil bank properly administered is a conservation measure which will provide good soil for the future years when it will be needed with the normal increase of our population.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from West Virginia [Mr. NEAL].

(Mr. NEAL asked and was given permission to revise and extend his remarks.)

Mr. NEAL. Mr. Chairman, when the American farmer was called upon during World War II to produce food and agricultural commodities for the entire world, he did so in a vast abundance. Under patriotic necessity, and a high, guaranteed price for his production, he saw to it that our wartime population and the many millions who fought along with us did not go in want.

This situation, however, brought into being the individual who began to farm commercially. He was the new element in the field of agriculture, the landowner or lessor who saw in the Government-supported high price structure a chance to reap a handsome profit.

The farmer who was tied to the soil by love, family, and hereditary background began to find himself in company with a new farm operator, one whose main motive was a quick and guaranteed profit.

This new element began to exercise a considerable and weighty pressure. It began to make its voice heard increasingly with great authority in farm councils. In many cases, this new commercial farmer came to agriculture with a

business background, a purely financial background, who was interested in the creation and maintenance of pressures sufficiently strong to make Congress continue to support artificial farm-price programs even though the spur of wartime production had long since disappeared.

As a consequence of these pressures, the Nation today finds itself with its vast and costly surpluses of farm goods. It finds the nonagricultural and agricultural taxpayer alike saddled with a burden of monstrous taxation to support an economic Frankenstein.

And, worst of all, it finds our farmer—who tills the soil because he loves it, because it is to him the only way of life and not just a living, because it is his inheritance—no longer a free man.

He is at once a guinea pig for every conceivable panacea of trial and error that can be found in the outer fringes of the planner's world. He is the sacrificial lamb upon the altar stone of the new class of farmers for profit, many of whom never get beyond their banking house doors in their pursuit of the farm dollar coming from the United States Treasury Department's checkwriting machines.

If he does not want to accept Government-guaranteed price supports, then he must accept, as the only alternative, the decree from Washington which allots his acreage and restricts his judgment and desire as to what he shall plant, and in what quantity.

To compound his misfortunes, he is told further, by Government, what wages he must pay his help and the wage differential appearing in the price of things he must buy.

It is true that the commercial farmer must have a volume production at a high price level to stay in business. Yet, by the same token, we have reached a point where the commercial farmer is planting too many acres and harvesting too much production for our peacetime needs.

As a result we have the present situation of acreage allotment, high price supports, high costs for processed foods, higher taxes to support the whole crazy structure, and continued hard pressures on this Congress to maintain an economic pattern whose major beneficiary is the commercial farmer.

This element of our agricultural community has, I believe, received more consideration as the result of Federal legislation during the past 2 decades than his numerical strength in our Nation ought to command.

He is the big producer of the unnecessary surpluses in the basic crops on which support prices are based. The family-size farmer and the wage earner of our Nation are penalized heavily because the entire agricultural program is geared to the ever-increasing demands of the commercial farmer, producing on an assembly-line basis, for Federal support of a handful of basic crops.

I cannot emphasize too strongly that the artificial market supports rigged at the behest of the great agricultural producers tend to do two basic things—to penalize the wage earner unjustly in the cost of his food and to adversely affect the medium or family-size farmer

who cannot qualify to take advantage of the nonproduction premiums distributed by the Federal Government.

In my State of West Virginia, there is scarcely a farmer who can qualify in any great measure under the United States Department of Agriculture's market stabilization programs. Our farms are not of sufficient size to grow wheat in any great quantities. Most of our corn production is consumed by our own poultry and livestock, not sold in the open market.

We grow no cotton or rice, and there is scarcely any production of peanuts. Yet, our farmers, along with our wage earners, support our wildly extravagant agricultural program in two ways—once, through their taxes, and again when their wives pay the retail price for food for the family table.

Our only cash crop of any consequence is burley tobacco. Even in this field, and my State this year has an allotment of only 4,244 acres, allotments are continually being combined, leading to the oft-repeated and natural question from my constituents as to why the Federal Government so harshly deals with its own citizen dependent upon a small tobacco allotment for his annual cash income of \$1,000 or \$3,000, when it can blithely hand out millions abroad.

Our price support program arose out of the necessities of our wartime production. Rather, I should say that the tinkers came into their heyday under the harsh times of striving for national survival.

We had had earlier attempts to interfere with the natural forces of fertility and the immutable laws of the marketplace through the old Agricultural Adjustment Administration, but the good sense of the American farmer prevailed generally and there was a hard core of resistance.

During World War II, we, of necessity, adopted the whole system of production regulation and subsidy payments with attendant controls and have been bedeviled ever since.

There is now before this Congress legislation affecting corn production. Here again, the great commercial combines are before us pleading for a continuation of the economic make-believe under which we have spent millions of dollars.

The plea is made to support corn again when the great mass of farmers through their referendum of last December practically asked to be freed from production restrictions. This year, for the first time in years, the indicated corn crop and anticipated demand are more nearly at balance.

Yet we are asked to extend supports for corn in the face of the bare and naked fact that support for corn means higher prices for lard, higher prices for beef, a high plateau of pork prices, continued preposterous prices for milk, and the scores of other things into which corn goes to produce a finished product suitable for human consumption.

Another end product of continued corn supports which I did not include, is another round of sizable "loans" on corn at the expense of the American taxpayer

which will keep from the market the surplus created by the great rush of our commercial corn producers to get on the "pullman section of the gravy train."

I, for one, and I am sure that thoughtful men join me, would like to see our agricultural picture restored to some natural proportion.

We have the production techniques, the storage capacity, and the human courage, devotion, and vision to operate our farm establishment within the law of supply and demand.

However, until this Congress and future Congresses realize that the great majority of medium, or family-size American farmers know what is good for them and want the farming industry to seek its own natural courses, then continual disorder will prevail in the fields and markets.

This is a problem which our several Congresses have never sought realistically to come to grips with. Now, while this Congress is in a stern mood, lashed by the whips of its constituency aroused over a \$72 billion budget, it might be well to continue in that mental frame now that we are considering the perennial "farm problem."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 20 minutes to the gentleman from Illinois [Mr. SIMPSON].

Mr. SIMPSON of Illinois. Mr. Chairman, if Thomas Jefferson's admonition "were we told by Washington when to sow or reap, we would soon want bread" were true, the Agriculture Committee would not have H. R. 4901 before it today. It is not before the House on my vote in committee.

This is the first time in my many years of service on the House Agriculture Committee that I was compelled to vote on a farm bill that had not even been introduced in the House. There was not a copy of the Poage proposal or substitute available to the committee members until just a few minutes before we cast our first vote for or against this proposal. Under such circumstances, I voted against it. I wish to repeat that we were given the only choice of voting for or against a substitute, actually an entire new bill, without even a copy available for the committee members. We had no chance whatsoever to look at this proposal of several pages before we voted.

On January 7, 8, 9, and 10, the committee held hearings on a so-called corn emergency program. The printed hearings call it a soil-bank program. There were several votes taken during subsequent days. The bill, when finally voted out by a very small majority in the Agriculture Committee, carried the name of the ranking minority member, AUGUST ANDRESEN, who has publicly stated that he voted against the proposal even though it had his name on it. This calls for a new bill with the name of Chairman COOLEY as the author.

I am opposed to this legislation as a committee member, because it is not what 61 percent of the corn growers in the commercial corn area voted for in the December referendum.

In the commercial corn State of Illinois, 80 percent of the commercial corn farmers voted for the soil-bank-based

corn program. The reason it failed to pass nationally is because last year's law stated it would require two-thirds majority. When a farm vote is called for on a basic having marketing quotas, it must carry by two-thirds. There have been no marketing quotas on corn since 1954. The two-thirds corn vote requirement was placed in last year's agriculture legislation in conference.

This 37.3 million acres of corn for 1957 is the lowest per farm allotment ever received by corn farmers in the commercial corn area.

I am also opposed to this bill, H. R. 4901, because at the time the committee voted there was no estimate of additional cost. In the next morning's Washington Post it was estimated that the cost would be one-half billion dollars. Some estimates, with complete compliance, would run as high as \$1 billion additional.

Last week the House Appropriations Committee cut the Post Office Department estimate \$58 million, and the House rejected the Canfield amendment restoring half of the cut. I can imagine what the House will do with a one-half billion to a billion dollar proposal if it gets to the floor for a vote. It seems to me that the House membership on both sides of the aisle had better do a good job of thinking before they vote to add one-half billion to a billion dollars to Government expenditures, which are not included in the estimated \$72 billion budget. Any Member voting for this may hear further from home. I have recently read of Members receiving many letters of protest about this \$72 billion budget.

I am further opposed to this bill because, for all intents and purposes, it will remove corn as a basic commodity. It does not repeal the 1938 act, which placed corn as one of the basics, however. I am also opposed to this bill, because it places diverted cotton and tobacco acreages in the soil bank at the estimated cost of \$500 million. This means, where cotton growers having voted for acreage controls and marketing quotas, where they have by their own vote cut down their acreage, where they have placed these diverted acres in feed grains, that they now want to cut these feed grains diverted acres and place them in the soil bank for the very purpose of getting a soil-bank check. They want protection going and coming.

At the present time and under last year's law, only basics are now included for acreage reserve purposes. There is no need of passing H. R. 4901, for the very simple reason that the diverted acres can, under present law, be placed in the conservation reserve. The national average for conservation reserve payments is \$10 an acre. It is probably less than that in the South. The reason that this legislation, H. R. 4901, is before this body today is to place these diverted acres in the acreage reserve at a higher price per acre, because the conservation acreage reserve of \$10 per acre average is obviously not satisfactory to the South.

One section of the country, namely, the South, has four basic commodities—cotton, tobacco, rice, and peanuts. In the diverted acre fiasco they have added the fifth one, namely, corn. Chairman COOLEY's own home county is in the com-

mercial corn area. He made this statement himself. The northern section of the country since 1938 has had two basics—corn and wheat. In addition to one section of the country now having five basics, they have a climatic situation whereby they can grow crops that heretofore have been raised in the North. What has actually happened as a result of these uncontrolled diverted acres being placed in corn and feed grains is that this section of the country has gone into the hog, cattle, and dairy business, creating a livestock surplus.

Tobacco is being supported at 90 percent, and Chairman COOLEY stated before the committee that it was in trouble. He stated that it was in trouble even though acreage is bringing two to three thousand dollars an acre. If anyone goes into the tobacco area and buys a farm that does not have a tobacco history, they cannot plant 1 square foot of tobacco.

Corn is the biggest dollar-value crop in the entire United States. It is double in dollar value to its next competitor. Hay is second. Seventy percent of all the corn raised walks off of the farm in the form of hogs or cattle. That is the very reason that there has always been no compulsion about the corn program. There is no compulsion now in any proposed legislation or in any law.

Cotton immediately enters commercial channels. Tobacco does the same. Corn does not.

In 1938, when the Basic Commodity Act was passed, which included corn, there were 12 States in the commercial corn area comprising 566 counties, and there are now 24 States in the commercial corn area comprising 894 counties.

No farm organization actually opposed the 51-million-acre proposal of Mr. ANDRESEN. Fifty-one million acres of corn in the commercial area is considered the proper acreage for supply and demand. Under present law corn in noncompliance can be supported at zero to 90 percent. It was supported on this basis last year. This price was \$1.25 in Illinois. Part of 8 Southern States in the commercial corn area voting on the December corn referendum voted as follows: Kentucky, 87.2; Tennessee, 86.9; Alabama, 83.6; West Virginia, 94.6; Georgia, 85.8; North Carolina, 78.8; Maryland, 67.2; Arkansas, 59.6—54 new counties added last year. Thirty-seven and three-tenths million acres of corn for 1957 under this two-thirds provision is the law unless changed. It is lowest per farm allotment ever received by corn farmers. Mr. Charles Shuman stated, upon my questioning before the committee, that the Andresen bill was well within the area of compromise. Mr. Marvin McLain, of the Agriculture Department, I would say, made a similar statement. Mr. Otto Steffey, president of the Illinois Agriculture Association, stated to me over the phone that the Andresen bill sounded good to him.

Since 1953 acreage cuts imposed on corn, wheat, and cotton have been getting funds from the Federal Treasury three ways—price supports, export subsidies, and soil-bank payments; corn,

approximately \$1 billion; wheat, over \$2 billion, and cotton approximately \$1¾ billion. The estimated carryover of corn as of October 1, 1957, is a little over 1,100 million bushels. This is only a 4 months' supply. This is not a surplus. A 4 months' supply cannot be.

A gentleman from Texas, in the irrigated area, testified before the committee that feed grains were not in surplus. Taking the estimated corn carryover, the surplus feed grains do constitute a threat.

I contend that no farm legislation in the last 20 years has been left in effect long enough to know whether it will work or not work. The exceptions to this are the school-lunch program and soil conservation. The Agriculture Committee action, in reporting out the bill now before you, proves it, by changing the soil bank in less than 1 year.

Last week, the Cotton Subcommittee held a hearing due to a cotton emergency in Chairman COOLEY's State of North Carolina. The witnesses were from that State. The emergency was that they could not live with the 4-acre cotton minimum provision.

In my years as a member of the House Agriculture Committee, I have never seen anything but emergencies.

The first bill reported out of the Agriculture Committee this year was an emergency drought bill. The windswept State of Texas, which a few years ago agreed to remain in the Union, is experiencing this serious condition. This bill passed the House. It will tell the rugged Texas individualists when they can turn their own cattle on their own grassland and pay them \$1.25 per acre to keep them off, as if they did not know. The great wealthy State, which defied OPA, which gets special consideration on tidelands, and they almost received concessions on the natural-gas bill bypassing the Supreme Court decision. Since they have agreed to stay in the Union, is ready to accept handouts from Washington. The Texas sombreros are getting small brims. The cowboy boots will, no doubt, have lower heels. What would Davey Crockett, of Alamo fame, say about this? If Sam Houston could, he would carry his statue out of the Capitol Building. The Great Texas has gone Republican on occasion. If this "Cooley-Poage bill is new Republicanism, I want none of it.

I read an old campaign speech of 1884 given by a Member of Congress from New Jersey. It had to do with the farm problem. This New Jersey Member of Congress started out in the following manner:

Agriculture was declared an industry by God when he proclaimed to Adam "by the sweat of thy face shall thou eat bread." The first practical application that they had on it was when two brothers brought their products of the industry to the Lord as an offering. One offering was from the field and the other from the flock. One offering was accepted, and the other was rejected, and the result was Cain killed Abel.

Mr. Chairman, I have seen people, at least a few, ready to kill Charley Brannan and Ezra Taft Benson. It will do no more good than when Cain killed Abel. Under present times, it is impossible to be a popular Secretary of Agriculture or a popular Secretary of State.

For the second time in our history, a President has been elected for 4 years with the legislative, a separate and distinct branch, of opposite political faith. Regardless of political belief, it is time for House Members, for the good of this Nation, to accept the November verdict of the people and act accordingly. Sending any piece of legislation to the President for signature when knowing it will be vetoed is not good statesmanship. The present dual control of Government branches must be lived with for 4 years. The least we can do is to live and act up to our responsibilities.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Michigan [Mr. BENTLEY].

Mr. BENTLEY. Mr. Chairman, I am in opposition to the pending legislation, H. R. 4901, a bill "to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains and for other purposes."

This legislation, if adopted, would set the minimum national acreage allotment for corn for 1957 at 43.2 million acres. It would permit diversion into the soil bank program of grain sorghums, barley, rye, oats, soybeans, and flaxseed for the 1957 crops, at a rate of \$15 per acre. The total cost of this legislation has been estimated to be between \$900 million and \$1.5 billion. It is a burdensome, unworkable amendment to the soil bank program and would effectively cripple it. Further, I understand that it would not receive executive approval, even if passed by the Congress.

Mr. Chairman, it will be recalled that last December 11 a referendum gave corn producers in commercial corn counties an opportunity to express their preference as to the type of program they desired. In that referendum 75 percent of the voters in Michigan supported the corn base acreage program which had a goal of 51 million acres for 1957. This was the program preferred by more than 61 percent of the voting corn producers throughout the Nation. However, since the corn-base program required a two-thirds vote, the choice was actually made by 38 percent rather than the absolute majority.

The 38-percent minority voted for a corn acreage allotment program based on a national planting of 37.3 million acres. In 1956, approximately 58 million acres were planted in the commercial corn areas as designated for 1957. This despite the continued reduction in acreage allotments, until the formula determination of 37.3 million acres was established for 1957.

In most of our Michigan corn areas farmers do not produce for a cash corn market but for feeding purposes on their own or neighboring farms. It is obvious that they could not reduce their planting by 37 percent, as required in the allotment program, in order to participate in the soil-bank program. This means that, unless the program is changed, most of our corn farmers in commercial areas, will not participate in the soil-bank program and will not help to bring feed grain supplies in line with demand. Therefore, it is abso-

lutely necessary for urgent action in order to give the majority of corn farmers an opportunity to participate in a reasonable program aimed at bringing our production in line with demand. Otherwise, they can certainly make more money growing corn for livestock. If a corn farmer with, say, 58 acres of corn is required to cut to 37.3 acres and then for every acres he cuts below that figure get only an average of \$43 per acre, there is not going to be much enthusiasm for participation in the soil bank.

Mr. Chairman, it is admitted that most of the acreage taken out of wheat and cotton has gone into feed grains and that feed grains planted on these diverted acres have been substituted for corn. This, in turn, has resulted in a feed grain surplus appearing in the corn carryover which has caused the decline in corn acreage allotments. Acreage taken out of wheat and cotton has gone largely into feed grain, 30 million acres, I understand, since 1953.

Now this surplus feed grain, which has been estimated by the Department of Agriculture at 800 million bushels, was grown on diverted acreage, most of which was taken out of wheat and cotton and for which producers of those commodities have received price supports. These Government supports have, in effect, subsidized the production of surplus feed grain which has resulted in surplus livestock and a weakening of livestock prices. Therefore, farmers everywhere are paying heavily for uneconomic price supports which are causing shifts into livestock production.

Our corn farmers do not have a minimum national corn allotment or base such as the minimum for wheat and cotton. If the allotments for wheat and cotton were to be determined on the basis of what is needed to keep supplies in line with demand, as is done in the case of corn, the national cotton allotment would be 3.9 million acres instead of 17.6 million acres and the national wheat allotment would be 12.4 million acres instead of 55 million acres. Therefore the minimum acreage of 55 million acres on wheat and 17.6 acres on cotton continues to give those crops a very strong advantage for participating in the soil bank even if corn is raised to a minimum of 51 million acres. As a matter of fact, during the 1954-56 period, corn received approximately \$1 billion in assistance, wheat over \$2 billion and cotton more than \$1.45 billion.

Now, Mr. Chairman, the income of our farmers from livestock and poultry is much greater than it is from field crops. Since surplus feed—as contrasted with cheap feed—results in surplus livestock, we must recognize that shifting production from corn to other feed grains is not a solution. Most feed, including corn, is sold as beef, pork, milk, butter, eggs, poultry, or other meat products, rather than as cash grain. Therefore, it can be seen that keeping corn producers out of the soil bank through an unrealistic program will still further encourage the excess production of feed grains.

Mr. Chairman, I understand that H. R. 3011 will be offered, when the bill is read, as a substitute for H. R. 4901. As I am informed, H. R. 3011 provides for a 51-

million-acre program for the crop years of 1957, 1958, and 1959. It offers supports at 75 percent of parity provided that 15 percent of the national acreage is placed in the soil bank.

I further understand that H. R. 4555 may also be offered as a substitute for H. R. 4901. I am informed that H. R. 4555, which has been endorsed by the American Farm Bureau, would offer the corn producers in 1957 his choice of a national acreage of 37.3 million acres and supports at \$1.36 per bushel or 51 million acres and supports at \$1.31 per bushel. In other words, the individual corn farmer would be given the same choice as he received in the referendum last December.

These problems are all complicated, Mr. Chairman, by the fact that the deadline for corn producers to participate in the soil bank is Friday, March 8. However, I assume that, if new corn legislation is forthcoming, this deadline will be extended.

Mr. Chairman, I regard either H. R. 3011 or H. R. 4555 as preferable substitutes for H. R. 4901 and I will vote for either of them when they are so offered. I oppose the passage of H. R. 4901 because I want the soil-bank program to succeed and not be cluttered up, so far as the corn program is concerned, with other feed grains and basic crops.

(Mr. BENTLEY asked and was given permission to revise and extend his remarks.)

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. MICHEL].

Mr. MICHEL. Mr. Chairman, may I say from the very outset that as one representing a district in the heart of the commercial corn area, I have been besieged with correspondence and personal calls from my farmer constituency inquiring as to what action they might expect the Congress to take in this emergency situation.

I am very happy that we are finally coming to grips with the problem by way of legislative action. We are working against time, as our farmer friends will, within a few short weeks, be preparing the soil for planting, and they must know how to proceed.

In one of my rural counties—Bureau—for example, only 40 farmers have signed up for the current program. Compare this figure, if you will, with better than 500 signed up last year at this time. The reason for this, of course, is the fact that the corn referendum last December went counter to their wishes. While failing to get the necessary two-thirds affirmative vote in the entire commercial corn area, the referendum passed in Illinois by a vote of 4 to 1.

I feel the present program is inoperative because the national allotment of 37.3 million acres for corn is so small that farmers will not abide by their individual allotments. There will be little participation in the soil bank by corn growers, and this will, in effect, bring about an even more serious surplus problem and depressed corn prices.

A further depressing of prices in corn would, in a short time, effect the live-

stock producers all over the country—and this is important. Sixty-nine to seventy percent of all the corn produced never gets into the commercial market, but is fed to livestock, and 55 percent of farm income is derived from livestock.

So, while we are considering the immediate plight of the corn grower, there are some very real secondary effects that would reach out to plague the agricultural economy in all sections of the country.

Now, as I understand the parliamentary situation, we have before us a bill proposed by the Democratic majority and, under the rule adopted, substitution of our Republican minority bill will be in order. I have given careful study to both proposals and shall support the substitute offered by the minority for the following reasons.

The majority has proposed a program which, according to various estimates cited thus far in this debate, could cost the taxpayers upward of another one-half billion dollars in subsidies, and would not achieve the objectives of, first, restoring stability of supplies and price, or, second, reduce production gluts of corn.

I can see no reason for treating the other feed grains such as oats, barley, rye, grain sorghums, flaxseed and soybeans on a par with corn as provided for in the majority bill.

How can we, when the Soil Bank Act as passed by Congress made a clear distinction between these feed grains and the six so-called basic crops? I get the impression that the sponsors of the majority bill want to scuttle the soil bank program before we have given it a fair chance to work.

We are supposed to be considering an emergency corn bill here today, but the majority bill looks more like a feed grain bill for the benefit of the South.

I am compelled to oppose the majority bill and vote for the minority substitute which will restore the 51 million acres as the corn base acreage. The corn farmers in my district approved of this base acreage by a 4 to 1 vote in the December referendum, and my vote for the substitute bill will carry out this mandate.

(Mr. MICHEL asked and was given permission to revise and extend his remarks.)

Mr. POAGE. Mr. Chairman, I yield 10 minutes to the gentlewoman from Minnesota [Mrs. KNUTSON].

EQUAL TREATMENT FOR FAMILY FARMER FEED GRAINS

Mrs. KNUTSON. Mr. Chairman, the legislation we consider today is the most fair, the most important, and the most critical legislation. The average family farmer raises a good portion of the feed grains. These feed grains are used not only as a feed crop but also to a lesser degree as a cash crop. As a rule, we do not consider feed grains in their realistic light. A small farmer revolves around the feed grain in his operation. Just this morning I received a letter from a constituent, Mr. Herman Holland, of Moorhead, Minn., regarding feed grains. He said, "This last week we received a letter from our ASC office in

Moorhead, saying small grains, with the exception of corn, would not be placed under reseal. This is quite a blow to us farmers who borrowed money to buy these granaries with the promise they could be repaid by money received for storage. It might be the only way we will get enough money to pay for them. Furthermore, the Government has advocated buying these granaries so as to keep the surplus off the markets. The farmer who raised this grain should have the privilege of resealing his 1956 crop if he so desires. I am writing to some of our Representatives in Washington, hoping they can help us change this decision."

First, we have waited many years for an equitable program for feed grains. Previously, the principal support for basic operation has been leverage to pull up the prices on small-grain crops. This principle did operate and I know many farmers appreciate the effects of it, though in some cases there could be an oversupply of feed grains and so lower the price for a short time. The overall principle of the 90-percent supports was protection against disaster. When prices were fair, supports were not necessary. When prices fell to disaster level, we had a minimum-wage protection clause so to speak.

Whenever an allotment takes effect, there is a very strong tendency to shift the extra land into production of feed grains. The overproduction bulge merely shoots out in another direction. Actually, it means a continuance of overproduction of all farm commodities.

Feed-grain assimilation into the soil bank will give family farmers some degree of insurance, much as the worker has insurance of his job or a businessman counts on the insurance of his trade. On the whole, the soil bank has not been effective for the average family farmer because he relies so heavily on feed grains in most cases. Generally speaking, his allotment of basic crops is but a small portion of his production outlook.

Second, feed grains in the soil bank would have a tremendous effect on the surplus production of hogs, dairy products and beef because of their key role. Not only are feed grains the pillar of the diversified farmer's operational structure, but feed grains are also complementary to corn. It is corn's "breath of life," right arm, right bower, mainstay, and guardian. Actually, it is corn's salvation. If an allotment is placed on corn, feed-grain production climbs. Like corn, feed grains are consumed primarily on the farm. Oats is a livestock grain. It can put feathers on chickens, energy in horses, milk through cows. Barley is a hog fattener. Soybeans give a glossy satin finish to hides. Even flaxseed meal is feed protein booster. It is self-evident to any farmer that corn can be replaced with feed grains.

Corn production can be cut without affecting the continued high production of bacon, milk, or steaks. Feed grains under the soil bank would operate to relieve pressure on corn as well as the pressure on hogs, dairy, and beef prices. Of all crops, corn would benefit on the mar-

ket by reason of feed grains being in the soil bank.

As an illustration, one farmer said recently, "I told a Senator I believed our problems of surplus begin by controlling our feed supply. We then would not have a surplus of milk, hogs, beef, etc., and he agreed with me. I also added it would probably bring our livestock back to our farms instead of having so much of it in the East where they want cheap feed and we cannot compete with them as to volume. The farmers of the Midwest would be in a position to make their own destiny rather than be forced to do things by their eastern competition."

A big point should also be made here. Up until this time, under the soil-bank program many poor production acres have been taken out of production and placed in the soil bank. As we take out more acres for feed grains, the accumulation in the soil bank will be from more highly productive acres and this will have a greater effect for overproduction control.

Third, the whole farm situation is in a crisis and now is the time to write a uniform and a fair program that will be a credit to Congress and a benefit to the people of the entire Nation.

The interests of our country demand an overall farm program. If any program pits one farm commodity against another, it is nothing but a device to "divide and conquer." The bill reported by our committee would allow corn farmers to replace 7,800,000 acres above their allotments into the soil bank.

This was allowed last year. Why not now? The bill would allow the corn grower of last year to be eligible for soil bank payments by reducing his other feed grains and still remain eligible for price supports. Feed grains in the soil bank would not merely continue the cost of the corn program of the last election year—which, parenthetically, did nothing to diminish supply—but to continue in a more sensible way. There is no use forcing feed grains to so compete in a way that drives corn prices down. Even Marvin L. McLain, Assistant Secretary of Agriculture, said:

Corn farmers and livestock producers are carrying not only their own problems but in addition, problems shifted to them by producers of other crops.

Turn this coin over, and I read: "Feed-grain and livestock producers are carrying their own problems as well as the corn problem shifted onto them." Certainly, the past experience indicates that the supply and price situation of corn causes livestock producers to lose economically in periods of cheap feed but to prosper when feed grains are stable and fair in their relationship to other farm commodities. Feed grains have been cut from 90 percent of old parity to as low as 50 percent by the same standard. It is highly questionable whether any farmer who sold oats really covered his expenses last year. I maintain that we should treat all crops alike. If corn gets priority and sympathy, so should potatoes or peanuts or pulp wood, honey, or any other family farm commodity.

Unless the law is so changed, we face an even greater record-breaking produc-

tion of corn and feed grain crops. This production year, 1957, will witness disaster market prices that can deteriorate our agricultural economy much more. We want a fair supply of food and fiber for expanding population of the years to come. We want no malnutrition. We want equity in farm prices to assure such supply. We want, more than anything, a balance of production that suits the commodity to its best environment instead of shifting it from one production area to another.

When we deposit money in our individual banks, we like to put in \$100 bills, but if we have a few cents in change, we can also deposit the pennies in the bank. If you call it a soil bank, let us make it a soil bank. Let us put our feed grain pennies as well as our basic grain cash crop dollars into the soil bank. Then we will reap the dividends of fair prices for dairy products, hogs, and beef products. Our housewives and consumers will reap dividends from the stake we all have in future production of food at fair prices, instead of the prospect of food scarcity and high prices, and no dividends for anybody.

Let us sing the swan song of piecemeal legislation and give the comprehensive and equitable farm program new birth.

Mr. COOLEY. Mr. Chairman, I yield such time as he may require to the gentleman from Montana [Mr. ANDERSON].

Mr. ANDERSON of Montana. Mr. Chairman, I wish to associate myself with the position so eloquently expressed by the chairman of our committee, the gentleman from North Carolina [Mr. COOLEY] and the vice chairman, the gentleman from Texas [Mr. POAGE].

Mr. Chairman, I fully realize that Secretary Benson's sliding scale farm policies have really resulted in putting commercial area corn producers in an impossible economic situation in 1957. Some of us as long ago as 1953 were predicting what the Secretary's maneuvering with the feed-grain program would do to you.

You well remember that back in 1954, butter was Benson's political target No. 1. And in that year he put into operation the economic and political timebombs which many of us predicted would make corn the political target No. 1 in just a few years. The economic reverberation of applying the sliding scale to feed grain, other than corn, has brought this problem on corn. It greatly injured the hog and cattle markets.

With wheat acreage allotments cut, price supports reduced, both on wheat and the feed grains, the farmers in my State of Montana had no alternative other than to increase feed-grain acreage in a futile effort to halt the drastic drop in farm family income. The growers in my district turned to barley. Almost half of the national increase in barley acreage was in Montana. Our harvested barley acreage increased from 725,000 acres in 1945-54 acreage to 1,354,000 acreage in 1955. To a very large extent the wheat growers in the almost one-crop area of the wheat triangle in eastern Montana, turned to barley to keep their income from being completely Bensonized out of existence.

Now I do not want to deny corn producers in the commercial area the income improvement and protection they deserve. But I want to see this done in a way that will not injure other feed grain producers, cattle raisers, and hog raisers.

But this problem cannot be solved by legislation that deals with corn produced in the commercial corn-producing area alone. The solution, to be effective, must deal with all the feed grains, as does the bill recommended by our Agriculture Committee. I hope the House will reject the partisan partial panaceas that may be proposed to us for political reasons.

Barley, oats, grain sorghum, rye, soybean meal, and linseed meal compete with corn in all of its feed uses. A critter in the feedlot does not care if the feed in his trough is commercial or noncommercial, and he does not care a great deal whether it is barley or sorghum or corn. The barley producers in Montana are a part of the feed-grain-livestock economy, as well as are the cash corn growers of Illinois. As a matter of fact, I would expect that the corn producers of Illinois, Iowa, Minnesota, and other commercial areas would feel they are being asked to assume an unfair burden if we ask them to take over the job of making by themselves all the downward adjustment of market supply now required to return the feed-grain-livestock economy to financial health and stop this headlong plunge to bankruptcy.

Feed grain per animal unit is at an all-time high. Consumers are being supplied a modern high record of meat supply per person. Experiment stations and United States Department of Agriculture research shows that a 1-percent oversupply of feed means a 1.2 oversupply of meat, and 1 percent oversupply of meat means at least 2-percent drop in retail prices, and 4 or 5 percent drop in farm prices of hogs and cattle.

Now, barley producers in Montana do not happily face the fact that their increased production of barley has contributed in some part to the oversupply of feed grains and livestock and the consequent drops in farm prices and income. However, under these Benson farm policies they have had no other course unless they chose quick bankruptcy. They badly want a program such as that proposed in the committee bill that will enable the wheat-barley growers to cooperate with their feed-grain producing neighbors to rescue the feed situation from the mess into which Benson's policies have plunged it.

Adoption of the commercial-corn only substitute bill can only injure the income position of other farmers and will not in fact improve, more than very temporarily, the income of commercial corn producers. Its adoption would force wheat-barley producers to produce more barley; force cotton-wheat-sorghum producers to produce more sorghum, and similarly with other feed grain producers. This can only result in falling prices and income for corn producers outside the commercial, as well as for all other feed grain producers and for hog and cattle raisers. In the long run,

it will destroy the economic position of commercial corn producers themselves.

Montana farmers can participate cooperatively in the program that would be established by the committee bill. Many Montana wheat farmers have taken up to 40 percent cuts under wheat marketing quotas. We understand the need for that—we also understand the need for income. We would prefer that support levels be at a more nearly adequate level. The committee bill would provide us a gross income equivalent of about 85 to 90 percent of parity, through the proposed acreage reserve payments and the resulting effect of supply adjustment in raising feed grain and livestock incomes.

The committee bill provides as much or more income improvement than the proposed substitutes do for commercial corn. But it does this in a way that will reduce Federal expenditure, help bring about needed adjustments in the livestock feed grain economy, and put a large part of our field crop commodities on a fair and uniform basis in the farm program.

(Mr. ANDERSON of Montana asked and was granted permission to revise and extend his remarks.)

Mr. HILL. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. HARVEY].

Mr. HARVEY. Mr. Chairman, how often have the Members of this House been called upon to consider the problem of agriculture? It actually is not a problem but consists of many problems. There are times when the Congress is called upon to consider legislation that has an impact on every phase of agriculture; other times when it is called upon to consider legislation having to do with a single commodity or a geographical area of our country.

The corn bill we are now considering is a commodity bill, yet insofar as a solitary commodity is concerned it probably has more to do with every phase of agriculture than any other single commodity. While corn is not listed as one of the big money crops in the statistician's book it actually is the most valuable of all raw food commodities produced in the United States. Since about four-fifths or 80 percent of it, however, is marketed by way of livestock the statistics, so far as corn sales are concerned, do not properly reflect its true value.

Corn, which is grown today in many sections of the country, is a valuable crop in producing not only meat but other animal products, such as milk and eggs which form the backbone of the diet of our people. Livestock and livestock products account for nearly two-thirds of all farm income, another way of saying how important it is to agriculture as a whole.

During all the years the Congress has been considering agricultural legislation, not until 1956 did corn as a commodity become a problem. It is interesting to note how this came about. From 1932 to 1945 we had a pattern of gradually decreasing corn acreage. Total acres in the United States decreased from over a hundred million to approximately eighty million. Beginning in 1945, corn production leveled off and since then

there has been little change in the acreage pattern. During the time when corn acreage was being decreased, hybrid corn and better fertilizers were coming into the picture; they compensated for the decreased acreage. Today we find that annual production averages around three billion bushels. The fluctuation from year to year is principally due to weather.

The next question is: If corn has not increased in production during the past 10 years, why are we here today asking for legislation to sustain this commodity? The answer is that corn, as a livestock feed, has been augmented by the increased production of competitive grains. These grains—oats, barley, and grain sorghum—have been produced mostly in the area where acres have been diverted from wheat and cotton.

There has been an unusual development with regard to grain sorghum. The plant breeders have developed a new variety extremely productive in yield and easy to harvest; it is likewise adapted to the semiarid sections of the West. When sufficient hybrid seed is produced to make it available to all, the production of grain sorghum will become a very great factor.

The increase during the last 3 years of production of these competing grains on diverted acres amounts to 25 percent of the total production of corn. Since corn production and livestock consumption had been in virtual balance through the years, it is not hard to understand how the 25-percent increase in production of these competing feed grains has thrown the natural balance out of kilter. This surplus has the potential power to drive livestock prices to bankrupt levels. In other words, unlimited production of grain, means cheap grain even beyond the power of the Commodity Credit Corporation to sustain. This in turn will bring about a substantial increase in livestock and livestock products, flood the market, and cause the producers of two-thirds of the farm income to suffer severe economic losses.

We have before us here today two proposals to meet the situation. One is the Poage bill, H. R. 4940, and the other the Andresen bill, H. R. 3011. Both seek to deal with the situation and I want to briefly evaluate both bills to you now.

As I have stated, the livestock industry is confronted already with depressed prices and we cannot sustain our livestock industry and improve its status unless we can reduce the supply of grain. The Poage bill attempts not only to treat with corn but also with the supplemental grains. The argument that supporters of the Poage bill advance is that it will not only deal with the problem of corn surplus but will also deal with other grains that are actually creating the surplus. At first glance the Poage bill would seem to have a great deal to recommend it. I do not believe, however, that it is the best answer to our problem.

The soil bank was organized for one purpose: to reduce the acres of crops that are being produced in surplus and to act as a supplement to the price-support program to sustain agriculture. There are two phases of the soil-bank

program, each has its function. The acreage reserve is an emergency program presumed to last not more than 3 years, the conservation reserve is the long-range program. The purpose of the acreage reserve is to reduce the production of all basic commodities, and provide for farmers to adjust their reduction without suffering great economic losses.

You might say that the acreage reserve phase of the soil bank is a bridge designed to carry our producers of basic crops from the level of production incurred by the war across the chasm of depression to a peacetime plateau. Now the peacetime plateau is actually the other phase of the soil bank—that is, the conservation reserve. The conservation reserve is a long-range program which, it is hoped, will eventually take enough acres out of production so that we will not have to be harassed with the regulatory devices now being used for the basic commodities. The conservation reserve is not designed to take good acres out of production. To the contrary, it is hoped that it will take marginal acres out of production—acres that should never have been placed in production in the first place and retire them, if not permanently, at least until some other emergency justifies their reuse for crop production purposes.

The Poage bill, while possibly offering some immediate relief, would have the ultimate effect of discouraging and perhaps even defeating the purposes of the conservation reserve, which as I said, is the long-range phase of the Soil Bank Act. It is for this reason then that I think the Poage bill is not the best bill. There are many, of course, who are inclined to look upon the soil bank as a program to distribute money to needy farmers. I do not think it should be so regarded.

I would like to address myself to the question raised by a number of my colleagues concerning the impact of the Andresen bill on the feed-deficit areas as well as the corn area itself. Those areas of our country where feed must be shipped in, are naturally interested in knowing whether the Andresen bill will affect their cost of feeding operations. I can say to you that the Andresen bill does not deal with any commodity except corn and it does not change the present law with regard to the price support features. Neither has it anything to do with the price support of supplemental grains. The Secretary now has and has had authority to fix these supports at variable levels. For this reason I think those who are representing areas which buy feed grain can honestly say that they have not voted for a piece of legislation which will have the effect of increasing the price of grain in their area.

Now, actually, what the Andresen bill does so far as the commercial grower is concerned is fix a minimum acreage limit for the commercial corn area for the next 3 years. It sets a realistic level for corn production comparable to what has been done for wheat, cotton, tobacco, and rice. For this reason it does not in any way give an unfair or unequal opportunity to the corn grower. The commercial corn growers recognize the fact that

while the problem they face is not of their making, they must nonetheless cooperate in its solution. I think most farmers in my area are willing to make any fair adjustment that is necessary to bring this about. They do not feel, however, that they should be called upon to help pay the costs that would be incurred if the provisions of the Poage bill were to become law.

Another question has been raised by my colleagues which I think should be answered. It is the question of whether the commodities of wheat and cotton—the other two major basic commodities—are receiving equitable treatment by comparison with corn so far as soil bank appropriations are concerned. I can say to you that cotton which has an acreage about one-third of corn will receive approximately the same amount of dollars from the soil bank as corn, and that wheat which has an acreage about the same as corn has more dollars earmarked for it than does corn. There is no thought on the part of the corn growers to seek an unfair advantage, but they do feel that they are entitled to at least equitable treatment. I want to repeat the statement that I made at the beginning of my discussion which is that whereas during all the years the other commodities have had to come before the Congress for help or assistance, the corn grower has not been before the Congress with problems until the last 2 years and only then because of factors beyond his control.

Let me say in conclusion that I regret very much the fact that we must come to the floor of the House as a committee on a divided basis. We need to have a common understanding and sympathy for the problems of one area as compared to another and I hope that we will not be forced to come to the floor of the House in the future on a divided basis.

If the country is to sustain a continued prosperity we must have a prosperous agriculture. The problem with which we are dealing today bears upon an important segment of our whole economy and certainly deserves the most serious and thoughtful consideration of every Member of the House. The American people are well fed. I hope every policy of our committee and the Congress will continue a program which will make certain the American people are among the best fed in the world at a reasonable cost.

HIGHLIGHTS OF AGRICULTURAL SITUATION

1. Reduction of food and fiber production was necessary after the Korean war.
2. Most severe reductions came in 1953-54 in the export market for wheat and cotton.
3. Thousands of acres thus idled were converted to producing supplemental grains such as oats, barley, and grain sorghum.
4. This added production of feed grains upset the historical balance which had prevailed in the Midwest between grain and livestock.
5. While corn has not increased in total production, the corn growers who market their grain via livestock have suffered severe reductions in livestock prices.
6. Since the total income of all farmers is approximately 60 percent from livestock and since "cheap surplus grain means cheap livestock," it follows that we cannot have a

prosperous agriculture until this problem is solved.

7. The soil bank was devised to take surplus acres out of production; the two divisions of the soil bank are acreage reserve and conservation reserve.

8. The acreage reserve is a short-range plan (3 years) and will reduce the surplus of wheat, cotton, and corn on an emergency basis.

9. The conservation reserve is a long-range program (15 years) that will take poor acres out of production and keep them out thereby making a good market for the good acres.

10. A corn program of temporary acreage reduction is needed as a part of the acreage-reserve program to bolster grain prices and reduce supplies all over the Corn Belt until the poor acres can be brought into the conservation reserve.

11. Even within the Corn Belt there are good, better, and best acres; it is not contemplated that the better or best acres will find it profitable to come into the acreage reserve. The goal is, however, to stabilize our livestock prices at a prosperous level by bringing grain supplies into balance with requirements.

(Mr. HARVEY asked and was given permission to revise and extend his remarks and include an analysis entitled "Highlights of Agricultural Situation.")

Mr. COOLEY. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to correct the RECORD. The gentleman from Illinois [Mr. SIMPSON] said that he was called upon to vote on this measure before the bill had been printed and presented to the committee. The record shows that the bill, H. R. 4901, was introduced on February 18. It was considered by our committee and was ordered reported on the 19th and actually reported with amendments on February 21. So, the gentleman from Illinois [Mr. SIMPSON] is certainly in error.

Some of the members of our committee have complained, including the gentleman from Iowa [Mr. HOVEN], that we had used dilatory tactics in handling the corn bill. The gentleman is in grave error. Actually our organization meeting was held on January 28, 1957. The new minority members of that committee were not even named, and we could not have an organization meeting until they had been named, so we held the meeting on January 28. Within 2 days after the organization meeting the Subcommittee on Corn, headed by the gentleman from Texas [Mr. POAGE], started hearings on corn legislation. Those hearings were full and complete and day after day the gentleman from Texas [Mr. POAGE] offered to meet in the afternoons and continue the hearings at any time the minority desired to meet.

Mr. Chairman, I want to call attention to one other thing. Someone has complained that drought legislation had been given priority over this legislation. Actually, the drought bills, 18 in number, were introduced on January 10, 6 days before the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] even introduced his bill.

The gentleman from Texas [Mr. POAGE] conducted the hearings of the Subcommittee on Drought Legislation even before we had an organization meeting, just as we had hearings on the soil-bank program before we had an or-

ganization meeting. But certainly we could not officially report legislation until we had organized the committee.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I want to point out to the gentleman that I made no objection to holding committee hearings on drought-relief legislation or on the soil bank for the meeting beginning January 6, to which the gentleman referred.

Mr. COOLEY. No, no; I am sure the gentleman did not object.

Mr. AUGUST H. ANDRESEN. At that time we also talked about treating corn as an emergency proposition. It was agreed to by Mr. POAGE and other members of the committee that it would be treated with after we got through with the drought bill.

Mr. COOLEY. The point that I am trying to make is this: The gentleman speaks of an emergency in the corn area. The emergency in the drought area was of such magnitude as to attract the attention of the President of the United States who dramatized the situation by flying into the area himself.

Mr. AUGUST H. ANDRESEN. We agreed to that and we helped to put through the drought bill.

Mr. COOLEY. I am not saying that the gentleman from Minnesota complained that priority was given to the drought legislation, but some members of the minority in the debate here today have violently complained about it.

Mr. Chairman, I yield 10 minutes to the gentleman from Florida [Mr. MATTHEWS].

Mr. MATTHEWS. Mr. Chairman, the hour is late and we have had a rather exhaustive debate on this so-called corn legislation. But I do feel compelled to state my position on this important matter and at the outset to emphasize a point that has been made several times today. That is the fact that this great Committee on Agriculture is divided and we are bringing before the Committee a bill that does not have the unanimous approval of our great committee.

Both sides of the aisle, Mr. Chairman, realize, of course, that the farm problem is here to stay and some Members who are not members of the Committee on Agriculture have expressed today some concern about the future direction of the farm program. I can understand their uncertainty and their confusion. But I know that they and all Members of Congress are determined to continue working on this farm program because it is of such great importance to our people.

When Thomas Jefferson was President of the United States and when he enunciated his doctrine of agrarian ownership, a doctrine to which I subscribe, 85 percent of all of our people lived on the farm. I believe as sincerely as I believe anything that unless we have independent farmers owning their farms, living on the soil, and making a living off the soil, this Republic as we know it cannot endure. I believe that earnestly, and I believe a great majority of you subscribe to that belief.

I have been somewhat concerned today with the remarks that have been made about the tremendous cost of the farm program, and none of us denies that it does cost. However, I am sure all of us, as we consider the cost of the farm program, will keep in mind that when other segments of our Government are protected either by Government subsidy or by the privilege of organization the farmer just cannot be expected to go it alone. I cannot see in the foreseeable future, Mr. Chairman, how we can ever expect the farmer to go it alone. We must, with all of the earnestness we have, continue to work on these great programs, and they are great programs, to improve them and make them fair to the farmer and, yes, to the consumer, because America will be great only as we all participate in progress.

Certainly, as we consider the subsidy to the farmer, we consider also the \$650 million deficit in the Post Office Department this year, and the accelerated depreciation allowances we permit on business enterprises. Because of those incentives we have hundreds of thousands of new jobs created. We consider the subsidies to the merchant marine. We consider our great reclamation and flood control projects. I submit that even though the farm program is costly it is not too costly when we consider the good that it does.

I have often been intrigued with this thought, that if we did not have the surplus, how much more our foreign products would cost the consumer. I remember several years ago, for example, when we had a coffee scarcity scare, and because we did not think we would have enough coffee from Brazil the price went up to such an extent that, I estimated, it cost the American consumer somewhere between two and three billion dollars more just because of that one coffee scarcity scare.

These are facts that we all agree on, Mr. Chairman, but we do have a sharp division of opinion here, with my colleagues on the Democratic side taking one position and my colleagues on the Republican side taking the other. We have erred in having this division. I recall the great chairman of our committee, the Honorable HAROLD COOLEY, pleaded with us in committee to bring out a bill here on which we could all agree.

I have heard this afternoon, and with a great deal of discouragement, one section of the country pitted against another. We weep crocodile tears because our commodity does not get as much as another man's commodity. I tell you that is basically wrong.

I want to get into this act. We have heard about emergency corn legislation. I mentioned in the committee that I think no crop deserves more emergency legislation than flue-cured tobacco. The flue-cured tobacco growers who produce varieties 139, 140, and Dixie Black 244 are being called on next year to accept a 50 percent price support. I think probably that was necessary because of these undesirable types of tobacco. That was no fault of the producers. They did not know they were going to be undesir-

able. Yet they are faced with an emergency.

A statement was made here on the floor that the flue-cured tobacco farmer is making \$2,000 to \$3,000 an acre for his tobacco. I certainly wish that were true. The flue-cured tobacco farmers in my particular area of the country consider themselves fortunate if they get \$1,000 an acre. They have to accept these very drastic reductions in acreage allotments. If you told them they would not have to accept acreage allotments and they could plant all the tobacco they wanted to and get 86 percent of parity, they would be the happiest farmers in America. My tobacco farmers are facing an emergency. But, Mr. Chairman, I will not dwell upon that any longer. I do think we must never give up this fight to give the farmer a fair share of the consumer's dollar. That is what we have been trying to do in all of these programs. I hope as a result of this debate, that we do not forget that basic problem, that the American farmer today just does not get a fair share of the consumer's dollar. If we could grant him just 50 percent of the consumer's dollar, his problems would be pretty well solved. Now we are all agreed on that.

Coming specifically to the present legislation, Mr. Chairman, my colleagues on the committee know that I am very mild in my utterances. I do not say much, but I do think the Democratic members of the Committee on Agriculture made every honorable effort possible in an honorable way to get good corn legislation. It seems as though one time the gentleman from Mississippi [Mr. ABERNETHY] would lead us into this spirit of unanimity, but we never came to it. I cannot help but observe that it would seem to me that most of my colleagues on the other side of the aisle took the attitude—the Andresen bill or nothing. Even if I believed in it 100 percent, if I had an ounce of red blood, which I believe I have, I believe I would resent that particular attitude. I may be wrong, but that is my feeling.

Now, I want to say this. I believe the committee bill gives the corn farmers of America everything in the world they could reasonably expect to get. Let me repeat these things that the corn farmers will get if the committee bill is passed.

First, the corn farmers want a larger allotment. This bill gives them an arbitrary increase of approximately 6 million acres over the allotment of 37,300,000 acres set for 1957 by the Department of Agriculture.

I do not believe any other crop ever had such generous treatment in the allotment of acres. I am willing for our corn producers to have that.

Second, the corn farmers want to be able to place a substantial amount of acreage in the soil bank above the allotments, and this bill allows the corn farmers to place 7,800,000 acres above their allotment in the soil bank.

The corn farmers want to be paid at corn prices whether they place corn or other feed grains in the soil bank, and this bill gives them that opportunity. In other words, if flue-cured tobacco farmers could get flue-cured tobacco prices

for participating in the diverted acreage program, it would mean some \$250 an acre for them for land put in the Acreage Reserve program of the Soil Bank, instead of somewhere between \$10 and \$40 an acre. But, the corn producer is getting that advantage. The corn farmers are granted at least 75 percent of parity in this bill. The corn farmers are granted that corn remains a basic commodity. And more than anything else, Mr. Chairman, the committee bill tries to do something about the surplus feed grain problem. Last year the corn growers got \$179 million out of the soil bank. It did not help with this idea of corn surpluses. We must think of some new idea, it seems to me, to work on the surplus problem.

The CHAIRMAN. The time of the gentleman has expired.

Mr. POAGE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. MATTHEWS. Mr. Chairman, I submit that the committee bill makes an earnest and honest attempt to do something about this surplus feed grain problem. I share the apprehension of my colleagues who have talked to us about the danger we face with low prices on our hogs and on our cattle, and unless we do something about this surplus feed grain production, I tell you we face that grave problem which will confront every section of this country. So I must conclude, after studying this measure in committee and hearing the arguments that have been propounded today, that the committee bill is a good bill for the corn farmer. I don't believe, Mr. Chairman, that I shall take any more time even though my distinguished colleague, the gentleman from Texas [Mr. POAGE] was willing to grant me more time because I know there are others who want to speak.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I am delighted to yield to my colleague.

Mr. POAGE. I think the gentleman is making one of the best speeches I have ever listened to, and I would be glad to hear him continue.

Mr. MATTHEWS. I want to tell my colleague how grateful I am for that, but I realize there are several Members who have not had a chance to speak so I will leave the floor and thank the gentleman from Texas very much for the courtesy.

Mr. Chairman, I yield back the balance of my time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. HARRISON].

Mr. HARRISON of Nebraska. Mr. Chairman, I want to thank all of you people for remaining as you have. I suppose the reason you are remaining is to hear the next speaker.

I am reminded of that story that has been told so many times about the cowboy who went out with a load of hay and found one cow. "Should I unload the whole load here?" I have got quite a lot of corn to unload. I do not know whether I should do it this afternoon or not.

I represent, I think, one of the better corn areas in the United States, and certainly one of the best livestock areas. So I am most concerned about this corn bill this afternoon.

I want to give you the reason why I am opposed to the bill that has been presented by the committee. At the outset I think I should tell you something about the value of corn and the reason I am so concerned about it. I do not know whether you people realize the value of corn to the economy of the United States of America or not, and how great this economy is, and that the value of corn is equal to that of cotton, wheat, rice, and peanuts, and will take a \$50 million bite out of tobacco. That is the value of corn and the reason for our discussion this afternoon is to protect that very fine commodity.

In order to effectively protect that corn, we must do something to bring supply of corn into balance with demand. If we cannot do that, corn is going to be in a bad state of affairs in the next year. If we do not get a corn bill, I think possibly for the next year corn may be in pretty good shape, from the standpoint of income for the farmer, but in the long run, looking into that crystal ball, I think that in 1958 or 1959 the end result would be cheap corn and cheap livestock, and that would be disastrous to the economy of our country.

I want to explain why I am opposed to the legislation that is being presented this afternoon. The No. 1 cause is the cost. The gentleman from Virginia [Mr. SMITH] made one of the finest statements on the floor that has been made for a long time—that it is our responsibility as Members of Congress to determine what the expenditures are going to be. It is up to those of us in agriculture to determine what the expenditures will be in agriculture. I know not what the expenditures will be to include all of the commodities that have been asked for. There have been figures suggested all the way from \$300 million to \$500 million, and on up. It is the feeling of the Department of Agriculture that we will not get a reduction in production that is commensurate with the expenditure that we will be forced to satisfy the other basic commodities.

They relate, "The cost is not very much, and you are giving it to the commercial corn area. Why not give it to the noncommercial corn area?"

This is just another example of the camel getting its nose under the tent, and when we determine what the cost of this particular item is only going to be—to use the figures that have been presented on the majority side—\$300 million, that is just a start.

It is going to take a large number of people to implement this legislation. I know it is going to be argued that we already have people in the field to do this work. Let me give you some examples of other legislation that we have passed here and the amount of money that you are spending for these other pieces of legislation that you thought were not going to cost any great amount.

The brucellosis program—and I am sure each and every member of the com-

mittee here will remember the brucellosis program—the eradication of brucellosis, and we were all for it, and we are still all for it, never thinking about the number of people it was going to take to implement this particular legislation. But from 1952 to 1957 we have added in the Department of Agriculture for this particular program alone 2,408 people.

The watershed program, one of the finest we ever passed, and everybody is interested in water today and in the watershed program, but when it was instituted I am sure no one knew how much it was going to take to operate, but they added 1,589 employees from 1952 to and including 1957.

The soil bank campaign that was instituted last year, and this is just the thing I am talking about here this afternoon, what it will cost in terms of additional employees necessary to implement the program in additional employees plus soil bank payment. Just in the year from 1956 to 1957 we have put on 2,265 additional people.

Price support activities increased from 1952 to 1957 till we had to have 2,505 additional people in the Department of Agriculture to handle that program.

We want to cut down expenses, but this is how they mount.

Strengthened research program in crops, livestock, utilization, marketing, and forestry, there was an increase in employment to handle that program of 2,106 people.

For forest access roads and timber sales the increased personnel amounts to 2,303—that is 1957 compared with 1952.

The SCS technical assistance to ACP 1,325 additional employees.

For agricultural attachés and market development, 349.

Disease and pest control, 344.

All others amount to 1,064.

The total number of additional employees for these various services amount to 16,258 in the Department of Agriculture. We never thought when we passed the legislation of the number of people it would take to implement the particular legislation.

So I speak in the interest of economy, and I am sure that I have no monopoly in this instance, that each and every one of you on both sides of the aisle have gotten the same kind of letters I have been getting. I do not feel that we are going to get value received by passing this particular legislation that is being asked for in some parts of the country. Frankly, I cannot understand, it is beyond me to understand why the people are asking for it. They take the position, as I see it, that it is some sort of a bonanza that the Government is handing out to the people within the corn area, that it is a giveaway program of some kind.

If you are sincere in the thing you are asking for, to take corn out of production in order to get the soil bank, I think that you have nothing whatsoever to gain. Why you keep asking for this particular program I do not know. In my particular country it is going to be necessary, and it was in 1956 when they thought they were going to have a crop, to force people to take to the soil banks.

There is no profit in the soil bank. So why all the furor this afternoon about wanting this particular program that is going to cost this great amount of money, whatever the amount is, and the number of employees it will take to operate it? I do not know what it will cost or how many people will be necessary to operate the program beyond the commercial corn area, but it is an amount we can save and will hurt no farmers.

A great deal has been said about the equity of these particular programs and what it has cost to operate them. There are not any very great reasons why I should give you these particular figures because it seems as though everybody has a set of figures to prove their point. It reminds me of a bachelor that used to live in our section of the country. He said there are three kinds of lies—lies, damn lies, and statistics. So you can prove anything you want with statistics.

It has cost a tremendous amount of money to implement these particular programs.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield the gentleman 3 additional minutes.

Mr. HARRISON of Nebraska. Mr. Chairman, it is going to cost a great deal to implement the corn program—\$217 million in the commercial corn area. Corn is the only commodity that is not in any great distress. The reason for the emergency is if we do not do something it will be in distress. We have about 1,500 million bushels carryover in corn. Someone said that is only about a 3 or 4 months supply. That is true, but it is about twice the amount that we are able to sell in a year. In other words, what we sell in a year would only be about half the amount that we have on hand. So unless we were to have a total crop failure we have much more corn than we have any need for.

Mr. Chairman, I need not state here this afternoon how we arrive at our allotments. I have been asked that question a number of times. In this particular area corn is not the favored commodity. If we have 15 percent of the domestic consumption plus sales of our foreign trade on hand. The acreage is set at what we will need plus our carryover for the next year. For corn, we have an allotment of 15 percent before any acreage allotment is necessary. Cotton is 30 percent. In this particular area cotton is the favored crop. In the case of wheat it is 20 percent. In the case of cotton, too, they get 12 million bales of cotton as a carryover. Wheat has 950 million bushels. But those are figures that are not too important, except to show that corn is not the commodity that is getting to the favored position in connection with this particular legislation.

I am most anxious to get legislation before us that will be passed. Something has been said about whether or not the President would veto this particular bill. He vetoed one last year, but I do not know that that can be used as a criterion for what will happen in connection with this particular legislation. We can pass this particular legislation

which will be introduced by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] get it on the road, then come back and take another look. My good friend the gentleman from Florida [Mr. MATTHEWS] said his particular commodity, flue-cured tobacco, is in trouble. If it is in trouble, let us sit down and take a look at it, but when we do take a look at it I want the people in the tobacco area to tell us people in the corn area what they want and what should be done. I sort of resent very much people in other areas telling people in the corn area what kind of corn program we need. It reminds me of a farm surrounding a particular locality and a man who raises a little garden in town going out and telling these people in the farming area the kind of a farming job that they should do. Now, that is about the position we are in. We think we people in the Corn Belt know the corn situation, and we rather resent the idea of some other section of the country coming to us to tell us what kind of a corn program we should have.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield to the gentleman from Missouri.

Mr. JONES of Missouri. I just want to inquire of the gentleman if he intends to offer his bill which we have talked about and which has been discussed and which at least one farm organization has indicated they will support. Will your bill be offered tomorrow as a substitute or as an amendment?

Mr. HARRISON of Nebraska. I am supporting the Andresen bill at this particular time.

Mr. JONES of Missouri. In other words, are we to understand, then, that you are not going to offer your bill and your support is going to the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]? I am trying to get the thing straight so that I know where we are.

Mr. HARRISON of Nebraska. Until such time as we know what the outcome of Mr. ANDRESEN's bill is.

Mr. JONES of Missouri. In other words, if the Andresen bill would be carried, you would not offer it, but if it is defeated, you will offer it?

Mr. HARRISON of Nebraska. That is right.

Mr. JONES of Missouri. That is all I want to know.

Mr. POAGE. Mr. Chairman, I yield such time as he may desire to the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, I have been listening all afternoon to the debate on the corn bills proposed by the gentleman from North Carolina and the gentleman from Minnesota, and I want to say that the arguments on both sides have been a worthwhile educational experience for me as a new Member of the House. I never expect to hear more articulate statements on farm legislation than we heard this afternoon from the chairman and the vice chairman of the Committee on Agriculture. I have listened with equal interest to the remarks of the minority members, and I would like to comment here very briefly on one

or two of those remarks from the minority side.

The gentleman from Indiana has strongly implied in his statement that the committee corn bill is a southern bill and would not be favorably received by Midwest commercial corn farmers. Now, speaking as a Representative from a district largely embraced by the Midwest commercial corn area, I want to go on record in support of the bill introduced by the gentleman from North Carolina, the Cooley bill. I am sure that the gentleman from Indiana can verify that commercial corn is an important part of the South Dakota economy, because he was out there in the cornfields of South Dakota last fall hunting pheasants and South Dakota Democrats.

I have noted also that the gentleman from Colorado has charged that my State and two others defeated the Benson corn referendum proposal because, in his words, a major farm organization "raised hell" in that part of the country.

I want to say to the gentleman from Colorado that there is some truth in what he says. We South Dakotans still remember the words of Mary Lease, the Populist orator of the 1890's, who told our farmers when they were neglected by the powers that be, that they should "raise less corn and more hell."

I am not opposing the Andresen bill purely because of this hell-raising feature of the South Dakota heritage. I have great respect for the agricultural knowledge of my neighboring colleague, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN]. But the entire argument against the Cooley bill, which called into play the so-called Andresen bill, seems to me to rest on the assumption that the administration would not react favorably to the proposed committee legislation.

Is it not true, however, that administration farm spokesmen have themselves stated that our basic problem in adjusting corn production stems from our failure in the past to adjust properly corn and other feed-grain production outside the commercial corn area?

Why then does the gentleman from Minnesota assume that a bill which seeks to bring the overall production of corn and related feed grains under control would be vetoed by the President?

I recognize that the gentlemen on the minority side who have spoken today are more experienced in the ways of this body than I am, but even before our beloved Speaker took the floor a few minutes ago, I was disturbed by the implications of the minority spokesmen that we ought to evaluate this legislation not on the basis of its merits but on guesswork as to what the President might or might not do with such legislation. In view of the remarks relative to the administration's attitude on agricultural issues, I would like to raise a final question. For the past 4 years the administration spokesmen, including the President and the Secretary of Agriculture, have been deploring what they describe as a "burdensome" or "mountainous" farm surplus. I am wondering if any gentlemen speaking in explanation of the administration's attitude can tell me what constitutes a national surplus of

corn and other farm commodities. When does a necessary national food reserve reach the point when it becomes what the Secretary of Agriculture has described as a burdensome surplus?

The financial report of the United States Commodity Credit Corporation of December 31, 1956, shows that we now have a corn supply that will last 4 months and 21 days based on our present rate of consumption. The same report shows that we have only a 16-day supply of oats and an 8-day supply of rye.

Do these reserves of food constitute a menace to the American economy and to the American taxpayer? Or are they vitally needed national defense assets?

I can find nowhere in the official pronouncements of the Department of Agriculture or of any other Government agency, a scientific statement of what constitutes the minimum and maximum quantities of basic food consistent with our national security needs. If it is imperative that we stockpile supplies of metals, chemicals, and other war material, is it not equally imperative that we arrive at some concept of a minimum food reserve?

Can we talk seriously about a burdensome farm surplus with a disastrous drought spreading from Texas to South Dakota?

Should we utilize our finest energies worrying about food surpluses when careful studies have demonstrated that if every American family were consuming as much food as families living on an income of over \$2,000 per year, we would have to increase farm production to meet the demand?

Can we, indeed, talk in god conscience about "mountainous surpluses" when we view a world in which 2 out of every 3 persons are suffering from hunger?

Mr. Chairman, how can we solve the difficult and complex problems that make for war or peace, when we regard food reserves as a liability in a world where most of the inhabitants want nothing so much as a little more nourishment? We are engaged in a life-and-death struggle with the Soviet Union to determine whether the forces of freedom can withstand the challenge of communism. Is there any gentleman who thinks that the Soviet Union would regard a national food surplus as a handicap in the battle for the uncommitted peoples of the globe?

I think the time is long overdue for our national leadership to arrive at a definition of the Nation's necessary food reserve. It is equally urgent that we cease wringing our hands over the farm surplus and accelerate the use of food as an instrument for peace in a hungry world.

(Mr. McGOVERN asked and was given permission to revise and extend his remarks.)

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I yield 5 minutes to the gentleman from Utah [Mr. DIXON].

(Mr. DIXON asked and was given permission to revise and extend his remarks.)

Mr. DIXON. Mr. Chairman, the importance of the decision which the House of Representatives makes today on a new corn program cannot be overemphasized.

We are today fixing the direction in which we believe our national farm policy should move. We must decide whether we will move in the direction of more Federal control or less Federal control. We can choose an extremely expensive program which will double the acreage which can be brought under Federal supervision and control, and which will do little to solve the problem; or we can adopt a program which at modest expense brings no new crops under Federal regulation and which will be a step toward the solution of our farm problem.

The talk which I am giving will be broken down as follows: First, urgency of passing a corn bill; second, the program we pass must be sound and economical; third, H. R. 4901 is unsound, expensive, and cannot be justified to the voters who sent us to Congress; fourth, H. R. 4901 would bring us closer to a regimented agriculture, anathema to those of us, including the vast majority, who love freedom.

URGENCY OF PASSING A CORN BILL

Many of us, and I am an example, do not represent any significant number of corn producers, yet we have the responsibility to consider the needs of the entire Nation. The corn farmers need our help. If they do not have a program, they will be selling corn at rock-bottom prices this summer, and they will be in an unfortunate condition.

Not only is the passage of a corn program vital for the corn farmers, which only a small portion of Congressmen represent, but it is also vital for the maintenance of a healthy livestock and poultry industry which a sizeable number of Congressmen represent.

For example, in 1955 the sale of livestock and livestock products amounted to 54.1 percent of total cash receipts from farm products. You can add up the value of the six crops designated as basics and their total is well below the total cash receipts from livestock and livestock products. In no State in 1955 did livestock represent less than 23.8 percent of total farm produce. In my own State of Utah, livestock represented 74.4 percent of cash receipts. To mention a few other States from various regions, New Hampshire had 82.9 percent, West Virginia had 78.3 percent, and Oklahoma had 61 percent.

Our livestock areas have a vital interest in the corn and feed problem. The great surpluses of feed that have been built up are resulting in the production of increasing quantities of livestock to such an extent that market prices have been seriously weakened.

A comparison of the situation in 1951 and 1957 with respect to increased feed supplies, and the increased production and declining prices of meat reveals what is happening to the livestock industry.

The feed grain supply has increased from 4.733 billion bushels in 1951 to 5.717 billion bushels in 1956, the highest ever. It also represents a significant increase in the supply of feed grain per animal. There has been a corresponding increase in the production of cattle, calves, and pork. Excluding lard, production of these meats has gone from 21½ billion pounds in 1951 to 27½ billion pounds in 1956. At the same time the prices of beef cattle received by farmers have steadily declined from \$28.70 per hundredweight in 1951 to \$15 in 1956. The prices of hogs have gone down, then up, then back down, from \$20 in 1951, to \$17.80 in 1952, up to \$21.60 in 1954, and back down to \$14.40 in 1956.

In addition, the supply of oilcake and meal and byproduct feeds is the highest in history—approximately 16 million tons, and the supply of hay is near a record. Also, the carryover in wheat, not counting last year's production, is over a billion bushels.

Clearly, then our feed supply is excessive. Reasonable efforts to induce corn farmers to cut the supply of feed grain should not be viewed as special treatment of the corn farmers, since most farmers, poultry producers and stockmen are adversely affected by such an oversupply.

THE PROPOSED CORN PROGRAM MUST MEET THE TEST OF ECONOMY AND SOUNDNESS

Simply because we have a heavy surplus of feed does not mean we will be justified before our constituents in passing a heavy spending program, especially if such a program will not significantly reduce the surplus.

The 85th Congress is considering legislation in the face of what is likely the most antagonistic public opinion toward heavy spending in recent decades. Just think back for a moment over the extraordinarily heavy mail you have been receiving the last 2 months from people who were not asking for Federal favors or handouts for themselves, but who were willing to take the time to let you know they wanted you to cut the budget.

At this point I believe a degree of credit should be given the Eisenhower administration for its insistence upon a balanced budget during good times. Congress has gone along with this proposition and as a result our public is more aware than at any time in this generation that Federal programs must be paid for by taxes, and the way to lower taxes is to lower expenditures. Whereas constituents have always been asking for tax cuts, more than ever they are now asking for budget cuts, which demonstrates maturity and responsibility.

In the face of the newly reborn alert scrutiny of and opposition to spending programs, I believe that those who propose highly expensive, unwise, and unsound farm measures at this point are putting in jeopardy all farm programs by a possible rebellion of the irate citizenry of the nonfarm areas.

As an example of the opposition which may be stirred if we continue to add to spending programs for the farm problem which do not solve the problem, I would suggest that any Congressman here try the following experiment: Tell 10 people that in fiscal 1956 the Department of Agriculture budget was \$5,177,000,000, and yet the total realized net farm income was only \$11,836,000,000. Ask your listeners if they approve the fact that Congress is giving the Department of Agriculture from the tax receipts about 44 percent of all of the net income in agriculture. Ask them if they believe we should further expand spending programs in agriculture which are hard to justify in terms of solving the farm problem. When you hear their answers, you will think twice before voting for H. R. 4901.

H. R. 4901 IS A GREAT EXPENDITURE OF TAX FUNDS WHICH WILL BRING LITTLE RETURN

If Congress passes the Andresen bill, H. R. 3011, as amended, it will add nothing to the Department of Agriculture budget which has been presented to Congress. Included within the budget is \$217 million which will be used for the soil bank for corn if we pass the Andresen bill. Let me at this point remind you that the proposed budget for the Department of Agriculture for fiscal 1958 is already \$5,330,000,000, which is \$178 million more than the 1957 budget.

However, if H. R. 4901 passes, it will involve an additional budget expenditure which could reach a maximum of \$996 million, and increase the United States Department of Agriculture budget to \$6,123,000,000, or an amount considerably more than 50 percent of all predicted 1957 farm income of \$12,400,000,000.

Surely there are far better ways to help the farmer than by such extravagant, semisocialistic, and ineffectual proposals. If the farm program is to become a relief program, why do we not face up to it and give relief directly to the farmer—which most of them do not want—and not dissipate so much of it in costly overhead?

The committee report on the bill estimates the additional cost at \$126 million for section 2 and \$125 million under section 3, for a total of \$251 million. These appear to me to be based upon unrealistically low estimates of participation. While no one is able to predict the amount of participation, it is highly important that we do not seriously underestimate participation, and that we be aware to what extent the program might go. Officials of the United States Department of Agriculture with whom I have spoken give us a vastly different picture than the majority report of the committee.

Let us compare in the form of a chart the estimated expenses in the majority report with the maximum conservatively estimated by the Department of Agriculture:

COMMITTEE MAJORITY REPORT COST ESTIMATE
ON H. R. 4901

Corn base (acres)-----	43,200,000
Eligible for acreage reserve (18 percent) (acres)-----	7,776,000
Majority estimate on number of acres placed in acreage reserve (acres)-----	5,590,000
Rate of payment (per acre)---	\$42.66
Cost estimate-----	\$238,000,000
Feed grain acres eligible for acreage reserve up to 18 percent of allotments other than corn (acres)-----	13,700,000
Estimated percentage which have been planted to feed grains any of the past 3 years (75 percent) (acres)-----	10,000,000
Estimate on farmers who will participate (60 percent) (acres)-----	6,000,000
Estimated payment per acre---	\$17.50
Estimated cost-----	\$105,000,000
Feed grain acres where basics not produced eligible at \$15 an acre of cut below highest of past 3 years-----	\$250,000,000
Estimated participation and cost (50 percent)-----	\$125,000,000
Aggregate estimate-----	\$468,000,000

Let us consider the major fallacies in the report of the committee majority.

First. The report assumes that corn farmers will not wish to make reductions under the regular acreage reserve program for which \$217 million is already planned in the soil bank, as well as the acreage reductions available under H. R. 4901. This assumption cannot be made. Farmers may well wish to take advantage of both programs. Department of Agriculture officials report that considerable acreage has been signed up for corn in the soil bank, even with the current allotment which is extremely small, 37,300,000 acres. More than 3 million acres of corn land have already been offered for the regular acreage reserve program. Therefore, the \$217 million for corn in the acreage reserve must be considered as additional to the costs of this program we are considering.

Second. The committee report estimates that only 6 million of the 13,700,000 feed grain acres which is supposed to comprise an amount 18 percent of the allotments other than corn will go into the acreage reserve program. Department of Agriculture officials believe that a maximum of 14 million acres will be put into the acreage reserve. They point out first that the bill is very liberal in allowing the farmer to regard as his feed grain base the highest number of acres of feed grain he has planted during any of the past 3 years and that 90 percent to 95 percent of farms with allotments have grown feed grains in at least 1 of the last 3 years. In addition, there can be expected an inflation in the feed grain base of 30 to 40 percent. For example, when the cotton program was first initiated, there was an inflation of more than 40 percent listed by farmers over the actual cotton acreage which had been produced. We must bear in mind that there are no figures at present in county or State offices against which to check farmers' estimates as to how much feed grains they have produced. When you add the rush with which this program would now have to be initiated, it

DEPARTMENT OF AGRICULTURE ESTIMATE MAXIMUM COST OF H. R. 4901

Corn base (acres)-----	43,200,000
Eligible for acreage reserve (18 percent) (acres)-----	7,776,000
Rate of payment (per acre)---	\$42.66
Cost estimate-----	\$332,000,000
Feed grain acres eligible for acreage reserve up to 18 percent of allotments other than corn (acres)-----	14,000,000
Estimated payment per acre---	\$26.00
Maximum cost-----	\$364,000,000
Feed grain acres where basics not produced eligible at \$15 an acre of cut below highest of past 3 years. Maximum allowed in bill-----	\$300,000,000
Maximum cost-----	\$300,000,000
Aggregate maximum-----	\$996,000,000

adds further to the ease of exaggerating past production figures for feed grains by the farmers. Considering these facts, there would undoubtedly be a heavy sign-up for this portion of the acreage reserve. Many of the acres submitted would be "phantom" acres which were never used for feed grains.

Third. The estimated payment per acre for this portion—section 2 on chart—of the program is estimated at \$17.50 by the majority report. The figure is very low. H. R. 4901 provides for payment on these acres at whichever is higher of the following three figures: First, a minimum of \$10 per acre; second, the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn in the county; third, 60 percent of the support price of the normal yield of the feed grain diverted from production in the county where the farm is located. The present rate for corn placed into the acreage reserve in the commercial corn area is 90 cents per bushel. The normal yield per acre throughout the noncommercial corn area is 27.3 bushels per acre. This would make the average for factor No. 2—above—\$24.57. There would be many instances, however, where factor No. 2 would not be the highest factor. Therefore, the average payment per acre would well exceed \$24.57. A figure of \$26 per acre appears conservative in this regard.

Fourth. The majority report estimates only about half participation in the program of section 3 of H. R. 4901—section 3 of the chart. This is the portion wherein farmers will be paid at \$15 per acre for feed-grain land put into the acreage reserve, below 85 percent of their feed-grain base. When you again keep in mind that this base is inflated, you will probably have heavy participation in the program. It is probable under the circumstances that this feature of the program would be oversubscribed.

So an expenditure figure close to the maximum which is conservatively esti-

mated at \$996 million might well be expected from this program.

Yet because of the "phantom" acres involved, and the fact that the poorest land would be put into the acreage reserve, acreage reduction of feed grains would likely be trifling. It is doubted that more than 150 million bushels of feed grain would actually be reduced by the majority program, in spite of a heavy sign-up.

Congress should not lose sight of the fact that there may be other programs which will bring an infinitely higher return per dollar of expenditure in solving the farm problem of bringing supply into line with demand. For example, this month we are expecting a report from the President's Bipartisan Commission for the Increased Industrial Use of Farm Products. Our Research and Extension Subcommittee, headed by Representative ABERNETHY, has been in close touch with these men. They are coming to the conclusion that expenditures for utilization research and promotion of new uses of farm products could in many instances prove extremely rewarding.

This type of program would be a concrete step toward bringing supply in line with demand, which is the root of the problem that we should be attacking, rather than proposing programs which pour out money without really significantly reducing production or finding new uses for that production.

H. R. 4901 COULD DOUBLE THE ACREAGE UNDER
FEDERAL CONTROLS

The estimated amount of land in the feed-grain cultivation as defined in H. R. 4901 is approximately 115 million acres, which would all become eligible for payments. The 1957 allotments for our 6 so-called basic crops is only approximately 119 million acres. If we establish base acreages for all this land and make it eligible for the acreage reserve part of the soil bank, it can be the first step toward compulsory controls—a regimented agriculture. I believe America wants the opposite—a greater freeing of agriculture.

Not only must we avoid this regimentation for the freedom of our farmers but also for reasons of cost.

Think of the immensity of the task of establishing base acreages for up to 115 million acres, and then checking performance for such an area. The personnel officers of the Department of Agriculture estimate that H. R. 4901 would require an annual addition of about 9,122 man-years at a cost of \$35,500,000. In other words, a significant share of the cost of H. R. 4901 would be administrative seepage, and would never reach the farmer.

The programs which Congress has been giving the Department of Agriculture have been requiring a continued expansion of employees. As of January 31, 1955, the Department had 70,803. The figure for personnel in 1956 was 77,520, and in 1957 was 81,747. This means the Department of Agriculture in just 2 years has in the pursuit of the will of Congress expanded its personnel almost 11,000.

In summary, H. R. 4901 will do little to reduce production. It is too complex to be put into rapid operation, and a pro-

gram is needed immediately by our farmers. It will be so costly that it could cause a public reaction which would threaten to break down the entire farm program. It is inefficient, eating up much of its cost in overhead, and would build up an army of agricultural supervisors and inspectors. I implore every Congressman who would like to live at ease with his conscience and his constituents to vote against H. R. 4901 and replace it with H. R. 3011, as amended.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That notwithstanding any other provision of law, the minimum national acreage allotment for corn for 1957 shall be not less than 43,200,000 acres.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Strike out everything after the enacting clause and insert the following language:

"That notwithstanding any other provision of law, the acreage allotment for corn for each of the calendar years 1957, 1958, and 1959 shall not be less than 51 million acres.

"Sec. 2. Section 106 of the Soil Bank Act is amended by adding a new subsection at the end thereof as follows: '(c) For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a "cooperator" shall be a producer who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 percent of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn.'"

Mr. COOLEY. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, had come to no resolution thereon.

AMENDMENT TO THE ANGLO-AMERICAN FINANCIAL AGREEMENT OF 1945—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 111)

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Congress of the United States:

I send you herewith an amendment to the Anglo-American financial agreement of 1945 signed for the United States by the Secretary of the Treasury and for the United Kingdom by the British Ambassador. Your approval is recommended and requested.

Under the terms of the 1945 agreement, the United Kingdom is entitled to waiver, that is, cancellation, of interest payments under certain rather elaborately defined conditions. Over the years, and with changing circumstances, it has become practically impossible to apply this important feature of the agreement.

This last December, the British claimed a waiver of the interest for 1956 and set the sum involved aside pending consultation. Up to that time, they had made in full every payment of principal and interest called for by the agreement.

The amendment gives the United Kingdom a right to postpone not more than 7 annual installments of principal and interest when it finds such action necessary in view of present and prospective conditions of international exchange and the level of the United Kingdom's gold and foreign-exchange reserves. In addition, the 1956 installment of interest would be postponed. In exchange for this, the United Kingdom foregoes any right to claim a waiver or cancellation of interest payments and agrees to pay interest annually on the full amount of all postponed installments.

The amendment to the agreement is a commonsense solution which attempts to carry out the spirit of the agreement in a way that is practical and fair to both parties.

I recommend that the Congress enact legislation approving the action of the Secretary of the Treasury in signing the amendatory agreement on behalf of the United States.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, March 6, 1957.

TAX RELIEF FOR SMALL BUSINESS

Mr. CURTIS of Missouri. Mr. Speaker, the 1957 Economic Report of the President to the Congress devotes considerable attention to the present day problems of small business in our economy. It calls attention to the studies which have been conducted and are still being conducted by the Cabinet Committee on Small Business. It recommends to the Congress many of the proposals emanating from the Cabinet Committee which were intended to assist small business in solving or lessening its problems.

I think it is important to stress certain facts which underlie the difficulties of small business so that in understanding the problem we will not fall into the error of hurting small business when we think we are helping it.

It should be axiomatic that small- and medium-size business has greater difficulty than its larger competitors in dealing with Government—or in coping with it—in any of its aspects. Small businesses do not have the lawyers, accountants, engineers, and other specialists so necessary for example, in coping with Federal governmental regulations. The really small businesses, do not even have the cash to come to Washington, D. C., to explain their problems or to create understanding of the manner in which Government actions are shaping and limiting their growth and function.

An examination of many of the problems of small- and medium-size business reveals that it is Federal Government action which has created them. These firms need less Federal action and greater Government awareness of the impact of these actions on this segment of business which is the lifeblood of our free enterprise system.

To be very specific, small business would be helped a great deal in meeting its need for working capital to have the Federal Government ease its tax burden.

The benefits of lessening the tax burden—tackling this prime problem directly—would far outweigh the effect of making more money available for borrowing by small business—or other attempts at improvising rather than correcting the source of the trouble.

There are many areas of Government activity in which small- and medium-size business are at a disadvantage compared to larger firms. This does not mean the Government—the legislative, administrative, or judicial branches—intentionally favors the larger firms—but unwittingly, or through inadvertence or because of relatively small facilities or resources, small- and medium-size business finds itself at a disadvantage to a greater degree than its larger colleagues.

Among these areas are: First, certificates of necessity. Only larger businesses can avail themselves of these special tax advantages. Second, the Renegotiations Act. Smaller businesses cannot cope with the regulations or renegotiation processes. This alone, rather effectively, bars small business from bidding on many Federal contracts. Third, competition of the Federal Government, and particularly the military establishment in the field of consumer goods and services. Small and medium-size business is especially vulnerable to such competition. Fourth, the Federal Government's extensive procurement program. The more goods and services obtained from our economy by the Federal Government, the greater effect the Federal Government has on the course of our economy. By the very nature of the procurement practices that must be followed by the Federal Government, small and medium-size firms will always have difficulty in obtaining Government contracts. The basic trouble lies in the very size of the Federal procurement budget. At best, the Small Business Administration can merely minimize the disadvantages that surround small and medium-size business in Federal procurement. Fifth, the extension of the meaning of interstate commerce to new areas. This always works to the disadvantage of small and medium-size business. It means that the small entrepreneur must cope with centralized and relatively arbitrary Federal regulation. It means that standards prevail which ignore local conditions.

These are a few of the areas of Government activity—there are many others—in which the smaller segment of the business community is at a greater relative disadvantage than the larger firms.

However, the prime area of disadvantage—the greatest single factor in pres-

ent-day economic decisions—is the area of taxation.

Because of the tax burden, small and medium-size business is finding it increasingly difficult to maintain its position in the national economy.

This fact is illustrated in an article in the Wall Street Journal of January 23, 1957, which states:

Over the past decade small manufacturers generally have not fared as well as their larger, better-heeled rivals—a trend viewed with increasing concern by the Government. In 1947, smaller firms with less than \$1 million in assets accounted for 18.9 percent of all manufacturers' sales and 13.3 percent of total earnings. By 1955 their share of sales had shrunk to 13 percent and their share of manufacturers' profits had narrowed to 4.5 percent.

Small- and medium-size business comprises the backbone and the dynamic growth element of the national economy. The latest data available—Survey of Current Business, May 1954—on number of business firms shows 4,060,740 firms employing fewer than 500 persons and accounting for 55 percent of all business employment. And of this number there are 3,865,000 firms which employ fewer than 20 persons and account for over 23 percent of total business employment.

One of the most important reasons for the plight of small- and medium-size business is the oppressive effect of income taxes which prevents the retention of enough earnings for growth capital.

Such firms do not have ready access to the capital markets and are finding rising interest rates prohibitive. In addition, unlike larger companies, they often have no reserves to draw upon even to offset cash working capital depletion from the inflationary trend—and high income taxes make the retention of such reserves difficult or impossible.

A tax structure which forces the businessman to increase his indebtedness to offset cash working capital depletion or to maintain his relative position, can only result in the further weakening of small- and medium-size business and an acceleration of the trend to business mergers.

This segment of business wants no subsidy—but only an opportunity permitting fuller utilization of its own resources so as to keep pace and participate more effectively in our growing economy.

With this as the objective, two tax adjustment proposals have been developed. The first, provides an incentive to small- and medium-size business to invest a greater proportion of taxable net income in depreciable assets or inventory. This proposal will help keep small- and medium-size business alive and growing.

A second proposal would permit the businessman to (a) set aside earnings in anticipation of his estate tax and (b) pay any balance due over a 10-year period so as to obviate the forced sale or dissolution of his firm in the event of death. The lack of such provisions leads to mergers and acquisitions as the only recourse for a businessman who wishes to protect his estate.

These tax adjustments are in the public interest. They would provide the needed assistance to help assure the

maintenance and growth of small- and medium-size business—the dynamic segment of the business community. In addition, through stimulating an increase in the Nation's Capital and productive assets, such adjustments provide assurance of increased tax revenue to the Government in future years.

These proposals may be stated simply as follows:

First. A business—corporation, individual proprietorship, or partnership—or self-employed person may deduct from business net income, for tax purposes, an amount equal to "additional investment" in depreciable assets or inventory during the taxable year, but not to exceed 20 percent of such income or \$30,000, whichever is lower.

By "additional investment" is meant (a) the amount by which depreciated value of depreciable assets as of the end of the year exceeds the depreciated value of depreciable assets as of the beginning of the year, or (b) the amount by which

cost of inventory as of the end of the year exceeds such cost as of the beginning of the year.

Second. Provision for purchasing non-interest-bearing estate-tax anticipation certificates, which shall not be part of the taxable estate, up to a maximum of \$100,000, and provision for payment of the tax within 10 years after death.

A detailed explanation of these two proposals follows:

I. DEDUCTION FROM TAXABLE INCOME

A business firm—incorporated or unincorporated—or self-employed person would be entitled, under this proposal, to deduct from taxable income an amount equal to additional investments in depreciable assets or inventory during the taxable year, but not to exceed 20 percent of net income or \$30,000, whichever is lower. In the case of corporations, it would apply to both the normal and surtax. The following computation shows how this proposal would apply to corporate taxes.

Corporate taxable income	Col. 1, present corporate tax	Col. 2, 20 percent net income deduction before computing tax
\$25,000	\$25,000 times 30 percent..... \$7,500	\$20,000 times 30 percent..... \$6,000
\$50,000	\$25,000 times 30 percent..... 7,500 \$25,000 times 52 percent..... 13,000 Total..... 20,500	\$25,000 times 30 percent..... 7,500 \$15,000 times 52 percent..... 7,800 Total..... 15,300
\$100,000	\$25,000 times 30 percent..... 7,500 \$75,000 times 52 percent..... 39,000 Total..... 46,500	\$25,000 times 30 percent..... 7,500 \$55,000 times 52 percent..... 28,600 Total..... 36,100
\$150,000	\$25,000 times 30 percent..... 7,500 \$125,000 times 52 percent..... 65,000 Total..... 72,500	\$25,000 times 30 percent..... 7,500 \$95,000 times 52 percent..... 49,400 Total..... 56,900

Column 1 represents the present corporate tax, and column 2 the tax if a corporation were entitled to take a 20 percent net income deduction before computing the tax. In order to get the tax savings indicated in column 2 a company with \$25,000 taxable income would have to reinvest \$5,000 to get a tax saving of \$1,500. A company with \$50,000 taxable income would have to reinvest \$10,000 for a tax saving of \$5,200, a company with \$100,000 taxable income would have to reinvest \$20,000 to save \$10,400 and a company with \$150,000 taxable income would have to reinvest \$30,000 to save \$15,600.

The amount of saving effected for a self-employed person—individual proprietor, partnership or professional or self-employed person—would depend on the tax bracket of the individual taxpayer.

II. FEDERAL ESTATE-TAX PROPOSAL

The second proposal is concerned with the Federal estate tax. It would permit individuals to purchase non-interest-bearing estate-tax anticipation certificates, which shall not be included in the taxable estate, up to a maximum of \$100,000, and also permit payment of the estate tax within 10 years after death.

The present Federal estate tax is especially burdensome on small- and medium-size-business men whose assets consist largely of investments in closely held business concerns.

One of the difficulties that arise on the death of a major owner of a business in which he has invested a large share of his assets is finding sufficient money to pay the estate tax without liquidating the business or impairing its financial stability. Under present law, the estate tax is due within 15 months after the date of death. This provides little time within which to satisfy the tax.

The result is that today an owner of a small- or medium-size business frequently faces the prospect that after his death payment of the tax on his estate will economically injure not only his business but his heirs as well. This fact leads to mergers and acquisitions for in this way the owner of a small- or medium-size concern can transfer his holdings by acquiring investments in large enterprises and avoid the risk of having his estate suffer the loss of liquidating a part or all his interest in his business.

This tax has become a much greater burden in recent years due to the substantial inflation of dollar values. In 1933, the tax on a \$200,000 estate was \$5,900. Assuming a \$200,000 estate in 1933 solely as a result of inflation, is worth \$400,000 today, the tax increase for a single person would be from \$5,900 in 1933 to \$94,500 in 1957, or an increase of 16 times.

The proposal for tax anticipation certificates would lessen a part of this problem by allowing the major owners of closely held business to purchase non-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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85th-1st, No. 40

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HIGHLIGHTS: House debated corn bill, and rejected Andresen's substitute amendment.

HOUSE

2. CORN. Continued debate on H.R. 4901, to establish a minimum acreage allotment for corn and to provide acreage reserve programs for diverted acres and for feed grains. (pp. 2875, 2892-2913). Rejected the following amendments:
- By Rep. Jones, Mo., 144 to 167, to limit the Andresen substitute amendment to the calendar year 1957, rather than 1957, 1958, and 1959. pp. 2900-06
- By Rep. Bass, 68 to 129, to amend the Andresen substitute amendment to provide that when acreage allotments for a crop is smaller than the allotment for the same farm for the immediately preceding crop year, the amount of such reduction in acreage shall be eligible for inclusion in the acreage reserve. p. 2907
- By Rep. McGovern, 168 to 172, to amend the Andresen substitute amendment to provide 90% price supports for various commodities. pp. 2907-11
- By Rep. Andresen, 180 to 187, to substitute the language of his bill (H.R. 3011) for that of H.R. 4901. pp. 2892, 2912
- Agreed to an amendment by Rep. Andresen to his substitute amendment, 164 to 159, to permit conservation reserve payments (but not acreage reserve payments) to farms which exceed acreage allotments. pp. 2906-07
- Pending at adjournment was an amendment by Rep. Harrison, Nebr., to substitute the language of his bill (H.R. 4555) for that of H.R. 4901. p. 2912
- Further debate on the bill is scheduled for Tues., Mar. 12. p. 2912

2. FOREIGN AID. By a vote of 350 to 60, concurred in the Senate amendments to H. J. Res. 117, to promote the peace and stability of the Middle East. This measure will now be sent to the President. pp. 2876-92
3. APPROPRIATIONS. The Appropriations Committee received permission until midnight Mar. 8, to file a report on the general government matters appropriation bill for 1958. p. 2876
4. FLOOD CONTROL. Rep. Rogers urged increased Federal aid for flood control projects. p. 2919
5. CROP INSURANCE. Received from this Department the annual report of FCIC. p. 2920
6. POSTAL RATES. Received from the Post Office Department a proposed bill to readjust postal rates; to Post Office and Civil Service Committee. p. 2920
7. WHEAT. Received a N. Dak. Legislature memorial urging the suspension of acreage controls on durum and spring wheat during 1957. p. 2922
8. SOIL CONSERVATION. Received a local Ark. petition urging the Soil Conservation Service to include a fish and wildlife project in the Point Remove watershed project, Ark. p. 2922
9. ADJOURNED until Mon., Mar. 11. p. 2920

ITEMS IN APPENDIX

10. TRANSPORTATION. Rep. McCormack inserted an address by Anthony Arpaia, member of the ICC, correcting certain misconceptions about American railroads and discussing their future. pp. A1821-4
Rep. Edmondson inserted an editorial from the Tulsa, Okla., Tribune, on "The Transport Revolution," dealing with changes in the transportation pattern and the effect on business location and practices. p. A1850
11. FOOD ADDITIVES. Rep. Burdick inserted his news release on the detrimental use of drugs and chemicals in foods, and urged either enforcement or new laws to prevent such uses of chemicals. pp. A1827-8
Rep. Burdick inserted a petition to Congress from the Mass. Women's Political Club, urging an investigation of the Food and Drug Administration's alleged failure to prosecute violations of the pure foods law. pp. 1853-4
12. ELECTRIFICATION. Rep. Radwan inserted an editorial criticizing Gov. Harriman of N. Y. for supporting the Federal preference clause in the Niagara power development project. p. A1829
13. SMALL BUSINESS. Rep. Thompson inserted an analysis and review of the report of the House Small Business Committee, by the Smaller Business Association of New England. pp. 1830-1
14. FOREST PRODUCTS. Rep. Van Pelt inserted an address by the President of the Bergstrom Paper Co., Keenah, Wis., on the research developments leading to greater conservation and use of waste papers. pp. A1831-3
Rep. Porter inserted an article on the use of the Shasta red fir and the development of clearcut area reseeded. pp. A1839-40



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No. 40

Senate

The Senate was not in session today. Its next meeting will be held on Friday, March 8, 1957, at 12 o'clock meridian.

House of Representatives

THURSDAY, MARCH 7, 1957

The House met at 11 o'clock a. m.
The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

Most merciful and gracious God, may the 40 days of this Lenten season be for all of us a time of quest and of conquest, of self-examination and self-mastery.

We humbly and penitently confess that so frequently we are not on speaking terms or at peace with our own souls for our conscience tells us that we have broken faith with our nobler and better self.

Show us how we may conquer and crucify every insurgent impulse, every inordinate desire, every self-indulgent habit, and all those temptations and sins which degrade and destroy our capacity to reach the higher levels of life to which Thou hast called us.

Grant that in each new day we may have an inspiring and uplifting sense of Thy grace and power, transforming our lives from what they are to what they ought to be and can be.

Hear us in the name of the Captain of our Salvation. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CORN AND FEED GRAIN PROGRAM

(Mr. PELLY asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. PELLY. Mr. Speaker, yesterday I listened carefully to the general debate on H. R. 4901, a so-called emergency bill to cut back corn production. This objective would be accomplished, as I understand, by allowing farmers \$42.50 an acre for every acre they retire from planting

in corn. Nobody seemed to agree on the cost of this part of the bill on corn, but the gentleman from Texas estimated a 3-year obligation of more than \$2½ billion. Then the measure, I gathered, goes on to give the same treatment to all feed grains. One committee member stated the saddling on to the soil bank of grain sorghums alone would cost \$900 million a year, in his opinion, and doom any type of continuing program to help farmers. There was no agreement as to the cost to the taxpayers, but I gathered a majority guess, at least on my side of the aisle, was almost \$1 billion a year.

In speaking earlier on the rule, the gentleman from Virginia [Mr. SMITH] said he had read that the net take-home income of farmers in this country is \$10 billion, and that we spend \$5 billion to rehabilitate them. He suggested, but not too seriously, I gathered, distributing \$5 billion direct and increasing the take-home pay 50 percent. As for me, I think the best way to help the farmer is to reduce Federal spending and start paying off the national debt and cutting income taxes. I think this farm bill is highly inflationary and will hurt everyone's take-home pay in America. It will increase the grocery bill of every housewife in the country.

From the discussion during the general debate it became obvious to me that H. R. 4901 would increase Federal expenditures over and above the \$73 billion Eisenhower budget. I am going to vote against it. I am in favor of cutting, not raising Federal spending. So much for that measure reported out by the Democratic majority of the Committee on Agriculture.

The Republicans are going to try and cut out all but the corn part of the bill. I shall support this effort. But this will be purely to reduce the possible authorization of a greater sum. On final pas-

sage I shall vote against the bill in either form that it comes up for a vote.

Mr. Speaker, in the overall national interest to avoid all-out inflation a cut in Federal spending programs must be accomplished. There should be a legislative limit on appropriations as suggested by House Resolution 170 on which hearings are presently in progress in the Committee on Rules. Meanwhile let us remember every authorization such as is included in H. R. 4901 is a mandate to the Bureau of the Budget and the President to up the annual budget. The Congress has the responsibility of limiting Federal expenditures.

CALL OF THE HOUSE

Mr. GROSS. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 14]

Allen, Calif.	Diggs	Morrison
Bailey	Frelinghuysen	Powell
Belcher	Friedel	Preston
Bolton	Hillings	Saund
Bowler	Hosmer	Siler
Boykin	Jackson	Staggers
Buckley	Kearney	Young
Celler	Kee	
Dies	Mailliard	

The SPEAKER. On this rollcall 407 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

COMMITTEE ON APPROPRIATIONS— GENERAL GOVERNMENT MAT- TERS APPROPRIATION BILL

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations have until midnight tomorrow to file a privileged report on the general government matters appropriation bill for 1958.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. FENTON reserved all points of order on the bill.

MIDDLE EAST ECONOMIC AND MILITARY COOPERATION

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 183) agreeing to the Senate amendments to House Joint Resolution 117, and ask for its immediate consideration.

The Clerk read the resolution as follows:

Resolved, That immediately upon the adoption of this resolution, the joint resolution, House Joint Resolution 117, with the Senate amendments thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendments be, and the same hereby, agreed to.

Mr. COLMER. Mr. Speaker, I yield the customary 30 minutes to the minority to be controlled by the gentleman from Pennsylvania [Mr. SCOTT] and pending that I yield myself such time as I may consume.

Mr. Speaker, this resolution, as the reading thereof would indicate, is a final effort for the disposition of this very important matter. In other words, when we vote on this resolution we vote to wind up this matter and approve or disapprove the version that was approved in the other body. It will not be sent to conference. It will not even go back to the other body. This is the final action.

Mr. Speaker, when the so-called Middle East resolution was originally before this body, I handled the resolution. I told this House that I was wholeheartedly in favor of the objective sought, in that it called for an affirmative policy in dealing with communism, and, in my judgment, was the second affirmative action taken by this country in the cold war; that it was a departure from the Chamberlain-like appeasement policy that had been followed pretty largely by this country and its allies of the Western World, in dealing with the masters of the Kremlin. Therefore, I supported it wholeheartedly with that objective, but I did not like the manner in which it was being considered in the House under a closed rule, where the membership of the House had no opportunity to amend it. And I predicted then that it would go to the other body where it would be debated for at least 2 months and it would come back to us in an amended form. That is water over the dam. I may say in that connection, however, that the gentleman from Ohio [Mr. BROWN], a member of the Committee on Rules, was very active in support of my own position.

The resolution is back here now with certain amendments which the other body placed in.

One of the things I wanted particularly to do was to separate the economic from the military aid. I was very much in hopes that the other body in its deliberations—and they did deliberate—would divorce the two. But that was not done. It comes back now in the form, pretty largely, in which it was—at least the chief proponents say that it is substantially the same. I understand that the President says it meets with his approval; that it is not vastly different from what he had recommended and from what the House had passed. But, be that as it may, we are now faced with this situation. Those of you who felt as the gentleman from Ohio [Mr. Brown] and I did, and many others, that it should have been considered differently, or that there should be a divorcement of the two have no alternative but to vote it up or down.

The question now is whether the main objective, which to me is simply this, a firm policy in dealing with the Kremlin rather than, I repeat, a continuation of the Chamberlain-like appeasement policy that has characterized our conduct of the cold war, shall prevail or whether we are going to take the initiative. Personally, as one who feels that somewhere along the line this foreign-aid program has got to stop, I believe that we can afford to go along with this bill as it is, because the good outweighs the bad; and, furthermore, because there is no new authorization for funds in this bill; there will be no new appropriation this year under the bill; the money is already appropriated. It will be used for something else, you may be sure, if it is not used for this purpose.

Therefore, to this humble citizen's point of view we must go along with this resolution.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I am always forced, although with great fear, to yield to my friend from Iowa.

Mr. GROSS. I am sorry the gentleman feels that way about it, but is not this resolution, as reported out by the Rules Committee under a gag rule like the gentleman protested—in its effect, let me add?

Mr. COLMER. Permit me to say to my friend that my fear is based on my knowledge of the keenness of his mind. I admit that I have a way of rambling around, but I spent about 5 minutes trying to explain that it was. But I shall go along with the gentleman from Iowa and spell it out in so many words: It is another gag rule.

Now, Mr. Speaker, in all seriousness, this is a very important matter, as I said in the well of the House on a previous occasion. The President has this authority; he has asked the Congress to back him up in it. If we fail to back him up then it is an open invitation to the masters of the Kremlin to encroach further upon the free peoples of that part of the world. I hope that the vote will be as near unanimous as possible. That we will thus demonstrate to the

world and particularly to the Communists, that we are united behind our President.

Mr. SCOTT of Pennsylvania. Mr. Speaker, I yield 5 minutes to the gentleman from Ohio [Mr. Brown].

(Mr. BROWN of Ohio asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Ohio. Mr. Speaker, as the gentleman from Mississippi has explained to you, the adoption of this rule will result in acceptance by the House of the Senate amendments to House Joint Resolution 19. Frankly, I am not very happy as to the present rule, and as to the way this matter has been brought before the House for consideration. At the same time, I feel strongly that the Senate amendments improve the joint resolution which was previously considered in the House under a gag rule.

Yesterday, when this matter came before the Rules Committee, one of my good friends and colleagues said, as the result of my expression on the floor of the House that I desired at least 2 minutes to speak on the joint resolution, "You can make your speech in four words. I told you so."

Sometimes a person does get just a bit of pleasure out of saying "I told you so." You will recall when this joint resolution originally came before the House late in January, I took the floor and opposed as vigorously as I could the closed or gag rule which prevented and prohibited the Members of this House from offering any amendments to the measure, but, instead, compelled them to answer "yea" or "nay" on this important legislation. I predicted then, and said to this House, that when this Middle East resolution went over to the Senate it would be considered fully, amendments would be offered both in committee and on the floor, and that it would be debated fully so that the Senate could work its will. I still cannot understand, or comprehend, as to how we can spread democracy, liberty, and freedom throughout other sections of the world by taking actions here that virtually destroy them in the House of Representatives, where the American people sit.

The Senate was permitted to work its will on the joint resolution. We were not. There were many of us who would have liked to have offered amendments, some perhaps similar to those adopted by the Senate. I believe, had they been offered in the House, many of them would have been adopted.

You will be told later on in the debate, Mr. Speaker, that these Senate amendments amount to nothing, they mean nothing, and have been accepted by our administration.

Let me point out there is a great importance to be attached to the wording of the Senate amendments, and in the meaning thereof. If they mean nothing I cannot understand why our Secretary of State, and other representatives of the administration, originally opposed such amendments when they were before the Foreign Relations Committee of the other body.

sideration by the Foreign Affairs Committee, followed by 2 days of general debate in the House, House Joint Resolution 117 was passed and sent to the Senate in substantially the form requested by the President and the Secretary of State.

The Senate has now completed action and returned the joint resolution to the House with a number of amendments which, although numerous, do not alter the purpose of the joint resolution. I think it would be fair to describe most of them as constituting either a play on words or unnecessary modifications of varying significance.

This is the first time in my service with the Committee on Foreign Affairs that it has seemed the wiser course to agree with the Senate amendments and not insist on the better wording of the House text. However, the sponsors of this resolution, the President of the United States and the Secretary of State, have both indicated that in their opinion it is not worth while to risk a further loss of time by going to conference. Because I agree with them that time is of the essence and too much time has already been lost, I am reluctantly in agreement that the House should accept the Senate version, particularly as the changes do not destroy or affect the overall objective of the resolution. I am convinced that the sooner we present a united posture against Soviet aggression in the Middle East, the better.

The Senate changes begin by striking out all the whereas clauses, thereby deleting the only reference to internal subversion.

The Senate version states that the "United States is prepared to use Armed Forces" instead of the House language that the President "is authorized to employ the Armed Forces of the United States." As is made clear by the Senate Committee report, this is a distinction without a real difference.

The Senate version also provides that use of United States Armed Forces shall be consonant "with the Constitution of the United States." This change may have been designed for clarification, but it is tantamount to providing by law that unlawful actions shall be unlawful and is unnecessary.

The Senate version has deleted all the references to the United Nations which had been included in the House version. This may be all right, depending on the point of view of whether we wish to increase or decrease our participation in that organization.

The Senate version modifies the language of section 3 by inserting a limitation that the President's discretion in the expenditure of the \$200 million does not include the waiver of section 105 (a) of the Mutual Security Act. This section provides that military aid shall be made available "solely to maintain the internal security and legitimate self-defense of the recipient nation, or to permit it to participate in the defense of its area or in collective security arrangements" and that "the President shall be satisfied that such equipment and materials will not be used to undertake any act of aggression against any nation." An examina-

tion indicates that the amendment is not crippling in character, in that it does not prohibit waiver under this resolution of section 142 of the Mutual Security Act.

The Senate version also adds a provision that only funds originally appropriated for military aid shall be used for military aid under the authority of section 3 and only funds originally appropriated for nonmilitary aid may be used for nonmilitary aid. This provision is a restriction of desirable flexibility but not to a harmful extent.

As amended by the Senate the joint resolution has a requirement that none of the authority of section 3 may be used until 15 days after notice has been given to the Foreign Relations and Foreign Affairs Committees, the Senate and House Appropriations Committees, and when military assistance is involved the two Armed Services Committees. Also, that if such notice should be given after June 15, the funds would remain available beyond the end of the fiscal year for a period of 20 days after notice is given. This provision is probably the most defective in the Senate language and may raise the question of legislative infringement upon what are purely executive-branch functions. Legislative committees should not be placed in the position of having to give approval, either express or implied, under the circumstances called for by the terms of the amendment. This language may prove self-defeating by the limitations it apparently places on the vital function of legislative review.

Another Senate amendment provides that nothing in the resolution "shall be construed as itself authorizing the appropriation of additional funds" for nonmilitary aid. This language neither adds nor detracts.

One amendment which I feel adds a positive note is contained in the new section 4, which provides that "the President should continue to furnish facilities and military assistance" to the United Nations emergency force in the Middle East "with a view to maintaining the truce in that region."

I find no fault with the Senate's amendment to the title except that it is unnecessary. Both House and Senate versions have the same objective, but are simply stated differently.

Mr. Speaker, regardless of what we individually may feel about the manner, circumstances, and timing of the President's Middle East proposal, the facts are that he has made it and has asked the Congress to join with him in an effort to halt Soviet Communist penetration in the Middle East. I agree with President Truman, who has warned us that the situation in the strategic Middle East "is too dangerous to delay action on these requests." I am confident that the House will again demonstrate its good judgment and statesmanship by accepting the Senate amendments today.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. Bass of Tennessee) there were—ayes 246, noes 43.

Mr. BASS of Tennessee. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 350, nays 60, not voting 23, as follows:

[Roll No. 15]

YEAS—350

Abbitt	Denton	Kearns
Adair	Derounian	Keating
Addonizio	Devereux	Kelley, Pa.
Albert	Dingell	Kelly, N. Y.
Alexander	Dixon	Keogh
Allen, Ill.	Dolinger	Kilburn
Andresen,	Donohue	Kilday
August H.	Dooley	Kilgore
Andrews	Dorn, N. Y.	King
Anfuso	Dowdy	Kirwan
Arends	Doyle	Kitchin
Ashley	Durham	Kluczynski
Aspinall	Dwyer	Knox
Auchincloss	Eberharter	Laird
Avery	Edmondson	Landrums
Ayres	Elliott	Lane
Baker	Engle	Lanham
Baldwin	Evins	Lankford
Baring	Fallon	Latham
Barrett	Farbstein	LeCompte
Bass, N. H.	Fascell	Lesinski
Bates	Feighan	Lipscomb
Baumhart	Fenton	Loser
Beamer	Fino	McConnell
Becker	Fisher	McCormack
Beckworth	Flood	McCulloch
Bennett, Fla.	Fogarty	McDonough
Bennett, Mich.	Forand	McFall
Bentley	Ford	McGregor
Berry	Forrester	McIntire
Betts	Foundation	McIntosh
Bilitch	Frazier	McMillan
Boggs	Frelinghuysen	Macdonald
Boland	Fulton	Machrowicz
Bolling	Garmatz	Mack, Ill.
Bonner	Gary	Mack, Wash.
Bow	Gathings	Madden
Boyle	Gavin	Magnuson
Breeding	George	Mahon
Brooks, La.	Gordon	Marshall
Brooks, Tex.	Granahan	Martin
Broomfield	Grant	Matthews
Brown, Ga.	Gray	May
Brown, Mo.	Green, Pa.	Meador
Brown, Ohio	Gregory	Morrow
Broyhill	Griffin	Metcalfe
Budge	Griffiths	Michel
Burleson	Gubser	Miller, Calif.
Bush	Gwinn	Miller, Md.
Byrd	Hagen	Miller, N. Y.
Byrne, Pa.	Hale	Mills
Byrnes, Wis.	Halleck	Minshall
Canfield	Harden	Moore
Cannon	Hardy	Morano
Carnahan	Harris	Morgan
Carrigg	Harrison, Nebr.	Moss
Cederberg	Harrison, Va.	Moulder
Celler	Harvey	Multer
Chamberlain	Haskell	Mumma
Chaff	Hays, Ark.	Murray
Chenoweth	Healey	Natcher
Chipfield	Hébert	Neal
Christopher	Henderson	Nimtz
Chudoff	Herlong	Norblad
Clark	Heseltun	Norrell
Coad	Hess	O'Brien, Ill.
Coffin	Hiestand	O'Brien, N. Y.
Cole	Hill	O'Hara, Ill.
Colmer	Hoeven	O'Neill
Cooley	Holland	Osmer
Cooper	Holmes	Ostertag
Corbett	Holt	Patman
Coudert	Holtzman	Patterson
Cramer	Horan	Pelly
Cretella	Huddleston	Perkins
Cunningham,	Hull	Pfost
Iowa	Hyde	Philbin
Cunningham,	Ikard	Pilcher
Nebr.	James	Pillion
Curtin	Jarman	Poage
Curtis, Mass.	Jenkins	Poff
Curtis, Mo.	Jennings	Porter
Dague	Johansen	Price
Davis, Tenn.	Johnson	Prouty
Dawson, Ill.	Jonas	Rabaut
Dawson, Utah	Jones, Ala.	Radwan
Delaney	Jones, Mo.	Rains
Deilay	Judd	Ray
Dempsey	Karsten	Reece, Tenn.
Dennison	Kean	Rees, Kans.

Reuss	Sheppard	Trimble
Rhodes, Ariz.	Shuford	Tuck
Rhodes, Pa.	Sieminski	Udall
Riehlman	Sikes	Ullman
Riley	Simpson, Ill.	Vanik
Rivers	Simpson, Pa.	Van Pelt
Roberts	Sisk	Van Zandt
Robson, Ky.	Smith, Calif.	Vinson
Rodino	Smith, Miss.	Vorys
Rogers, Colo.	Smith, Va.	Vursell
Rogers, Fla.	Spence	Wainwright
Rogers, Mass.	Springer	Walter
Rooney	Staggers	Watts
Roosevelt	Stauffer	Weaver
Sadlak	Steed	Westland
Santangelo	Sullivan	Wharton
St. George	Taber	Whitener
Saylor	Talle	Widnall
Schenck	Taylor	Wigglesworth
Scherer	Teague, Calif.	Williams, N. Y.
Schwengel	Teller	Willis
Scott, N. C.	Tewes	Wilson, Calif.
Scott, Pa.	Thompson, La.	Withrow
Scrivner	Thompson, N. J.	Wolverton
Scudder	Thompson, Tex.	Wright
Seely-Brown	Thomson, Wyo.	Younger
Selden	Thornberry	Zelenko
Shelley	Tollefson	

NAYS—60

Abernethy	Green, Oreg.	O'Konski
Alger	Gross	Passman
Andersen,	Haley	Polk
H. Carl	Hays, Ohio	Reed
Anderson,	Hemphill	Robeson, Va.
Mont.	Hoffman	Rogers, Tex.
Ashmore	Holifield	Rutherford
Barden	Jensen	Sheehan
Bass, Tenn.	Keeney	Smith, Kans.
Biatnik	Knutson	Smith, Wis.
Bosch	Krueger	Teague, Tex.
Bray	Lennon	Thomas
Brownson	Long	Utt
Burdick	McCarthy	Whitten
Byrne, Ill.	McGovern	Wier
Church	McVey	Williams, Miss.
Clevenger	Mason	Wilson, Ind.
Coilier	Miller, Nebr.	Winstead
Davis, Ga.	Morris	Yates
Dorn, S. C.	Nicholson	Zablocki
Flynt	O'Hara, Minn.	

NOT VOTING—23

Allen, Calif.	Diggs	Morrison
Bailey	Friedel	Powell
Belcher	Hillings	Preston
Bolton	Hosmer	Saund
Bowler	Jackson	Siler
Boykin	Kearney	Young
Buckley	Kee	
Dies	Mailliard	

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Morrison with Mr. Silar.
 Mr. Boykin with Mrs. Bolton.
 Mr. Preston with Mr. Allen of California.
 Mr. Friedel with Mr. Kearney.
 Mr. Dies with Mr. Hillings.
 Mr. Buckley with Mr. Hosmer.
 Mr. Bailey with Mr. Jackson.
 Mr. Saund with Mr. Belcher.
 Mr. Bowler with Mr. Mailliard.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COMMITTEE ON THE JUDICIARY

Mr. McCORMACK. Mr. Speaker, at the request of the chairman of the Committee on the Judiciary [Mr. Celler] I ask unanimous consent that that committee be permitted to sit during general debate next week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

CORN AND FEED GRAIN PROGRAM

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the

State of the Union for the further consideration of the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4901, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending an amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN].

Without objection, the Clerk will again report the amendment of the gentleman from Minnesota.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. AUGUST H. ANDRESEN: Strike out everything after the enacting clause and insert the following language:

"That notwithstanding any other provision of law, the acreage allotment for corn for each of the calendar years 1957, 1958, and 1959 shall not be less than 51 million acres.

"SEC. 2. Section 106 of the Soil Bank Act is amended by adding a new subsection at the end thereof as follows: '(c) For the purpose of price support in the commercial corn-producing area for any crop of corn for which an acreage reserve program is in effect, a "cooperator" shall be a producer who (1) devotes an acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage reserve program for corn or the conservation reserve program, equal to 15 percent of such producer's farm allotment for corn, and (2) does not exceed the farm acreage allotment for corn."

The CHAIRMAN. The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is recognized for 5 minutes in support of his amendment.

(Mr. AUGUST H. ANDRESEN asked and was given permission to proceed for 10 additional minutes.)

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. ABERNETHY. Mr. Chairman, I rise in opposition to the pending amendment, and I ask unanimous consent to proceed for 15 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Chairman, before I address myself to the pending amendment, may I make some comments relative to my personal position on this matter in the committee and then refer to some speeches that were made on the floor of the House yesterday?

I endeavored to assume a neutral attitude in committee. I had the hope that for one time during the last 4 years the Committee on Agriculture, which theretofore had not been involved in controversial squabbles, could come to the floor of the House unanimously supporting a bill. We had no more than concluded the hearings when a motion

was made to take a vote. It was taken. I thought it was premature. So, on that particular vote I voted "present." I so voted still in the hope that for one time in 4 years our committee could agree and then come to the floor of the House unanimously supporting the twenty-odd-million people in this country who live on farms. The effort failed, but I tried and tried hard.

On yesterday we were treated to some speeches by certain of my Republican friends. Some of them are very good friends of mine—I will say all of them are. The Democratic side of the committee was charged yesterday with plain, pure, unadulterated politics. We were charged with scuttling an emergency measure, we were charged with dilatory tactics and deliberate delay. I have one short answer to all of those charges. It just is not so, and those who made the charges know it is not so.

The Democratic members of the committee are getting a bit accustomed to being charged with delay. That issue and others have been carried to the people of the country twice in the last 4 years—the charges that Democrats were playing politics, delaying action, and scuttling the administration's farm program. But, when the votes were counted in the last two elections, the charges of delay, dilatory tactics, and so forth, did not pay off. Everyone knows that there was a switch in the votes from Republican to Democratic. The predicate was laid to do the same thing next year. It was laid in the speeches of yesterday. It seems to me that if those who made the speeches gained anything in the way of a lesson by the results of the elections of 1954 and 1956, they should know the chargers will not pay off. They are shopworn and ineffective.

Now, I did not want to make those remarks. I am sorry I made them, in a way, but I could not permit the events and remarks of yesterday to pass without saying something in defense of our effort to try to bring a bill to this floor upon which we could all agree.

As to the emergency proposition, let us pull the cover back just a little bit and see what is under it. When did this emergency arise? It arose on the 11th day of December 1956 when the commercial corn farmers turned down the proposal which was submitted to them by Secretary Benson. Thereupon, Mr. Benson was notified by the chairman of our committee that his committee was ready to assemble at any time and at any place to assist him in alleviating the emergency. No response; no acceptance.

Then came this session of the Congress, and Mr. Benson was called before the Committee on Agriculture on the 5th day of January. On that day I asked him if he had his corn bill ready. In substance, he replied: "Well, we have been studying the matter, but we are waiting for it to be submitted as a part of the President's budget message." Then we waited until the 16th day of January, and the budget message came up, but no corn bill accompanied it. The first time that we heard of his bill was on the 30th day of January when Mr. Marvin McLain, Assistant Secretary of

Agriculture, appeared before our committee and told us that they had sent their bill up on January 28. Now, that was a delay of 50 days. Within 3 weeks we had a bill out of the committee. Now, who delayed it?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I will say to the gentleman that the bill I introduced went in on January 16, and we waited here to see what kind of recommendations would be made in the President's message.

Mr. ABERNETHY. That is right. And none were made.

Mr. AUGUST H. ANDRESEN. None were made in detail, at least. The bill I introduced and which was considered by the committee was not the administration bill but a bill reflecting the opinion of the majority of the Members on the minority side.

Mr. ABERNETHY. I am glad the gentleman has confirmed exactly what I have said, and I appreciate his rising. So, the facts are that up to the 30th day of January no one knew what the administration bill would be, 50 days after this so-called emergency had taken place. Now, when you go out in the West next year and tell the folks about the delay, do not forget to include 50 days delay on behalf of Mr. Benson. We will not forget it, you may rest assured.

One other thing and I will get to the amendment. We tried every way under heaven to compromise this issue in committee. Everyone knows that a piece of legislation, particularly an important piece of legislation such as this, is an object of compromise. You just cannot have your way here with 435 men and women having somewhat different views. Not even the Secretary of Agriculture had his way. He brought his bill here to the 435 Members of this House, and not one thought enough of it to introduce it.

The majority members of the committee offered their proposal. We then offered to compromise. The minority made it clear to us that it was to be their bill or nothing. In other words, they were not compromising—not 1 inch.

Now, I do not want to be misunderstood; but the minority just does not push the majority around. That has been the legislative policy in this Congress for a hundred years irrespective of which party is in control. We of the majority had our views. Mr. ANDRESEN had his views. Mr. Benson had his. Who yielded? The Secretary declined to yield. The minority didn't yield. Mr. ANDRESEN did not. Only the majority offered to compromise.

I asked Mr. McLain this question. I said: Mr. McLain, is the Department's position absolutely uncompromising?"

He said, "No."

I said, "Well, wherein does the field of compromise lie?"

He replied that he did not think that was a fair question.

I said, "All right, then; take until tomorrow and then come back and tell us."

But he refused. And so we then submitted compromise propositions to our Republican friends on the committee. We asked them if their position was uncompromising and we got no answer.

Mr. COOLEY. We got a "yes" answer.

Mr. ABERNETHY. Yes; I asked them if they would compromise and got no answer. So, on the last day that our committee sat in executive session, I submitted numerous inquiries and propositions to my Republican friends. I asked if we took out a certain sentence if they would vote for the bill. I got no answer. I then asked if we took out that sentence and the next sentence, if they would vote for the bill. No answer.

I asked, "If we will take out section 3 will you vote for it?" No answer.

I submitted every possible proposal, and got no response.

I then said, "If we added the Lord's Prayer, would you vote for it?"

Yes, I did. And I got no answer. That illustrates what we have been up against. A willful, confirmed, uncompromising barrier. Maybe the minority feels that that is the way to legislate. At least that was their position.

Now, again, I hate to have to say what I have said. I hate to see us get into this situation, but we are in it in the face of every effort on the majority's part to avoid it. No one can say and no one will charge that the 19 Democratic members of this committee did not offer to compromise. I ask anyone to challenge that statement.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. Yes, I yield.

Mr. AUGUST H. ANDRESEN. The gentleman wrote the ticket, too, and then he offered to cut certain sentences out.

Mr. ABERNETHY. I ask the gentleman the question, Did we offer to compromise?

Mr. AUGUST H. ANDRESEN. No, you did not. You wrote a bill and you took it away from us.

Mr. ABERNETHY. Did I not ask you if you would vote for certain things, and you would not even answer?

Mr. AUGUST H. ANDRESEN. The gentleman said he asked me if I would vote for the Lord's Prayer. I do that regularly. But I do not remember the gentleman asking me that. The gentleman did not offer any compromise.

Mr. ABERNETHY. Mr. Chairman, I do not yield any further. Numerous compromises were offered in the committee and all were turned down by the minority.

Mr. Chairman, what is the corn situation? Here it is. In the fall of 1955 our corn farmers found themselves burdened with the biggest surplus in the history of this country. Last January the administration came to us and said, "Pass the soil bank and that will fix it up." We passed it and they spent \$179 million on corn and did not reduce the surplus 1 bushel. They just threw the money away.

Not only that, the administration violated its own policy on supports. They have always taken the position that if the surplus is high, then cut down the supports and you will get less production.

But, oh, what happened? They set the support price at 81 percent of parity and then, faced with an election, they raised it to 86.7 percent, even though corn was in the greatest trouble it had been in all the history of this country. They also supported the unlimited production of corn at \$1.25 per bushel. And what happened? Farmers were encouraged to produce more and more corn. So the surplus was increased again. Now we find ourselves with a doubly aggravated situation, even though the Secretary expended \$179 million of soil-bank money in an effort to head it off. The situation is his own handiwork. Undoubtedly his eye was on the November election when he upped corn supports last year.

Assistant Secretary McLain came before the committee on January 30. Where did he say the surplus was created? He said it took place in the diverted-acre areas of the wheat, cotton, tobacco, rice, and peanut belts. He said that:

In adjusting to their allotments producers of other basic crops—

That is, wheat, cotton, and other basic crops—

diverted a substantial part of their acreage to feed grain, including corn.

He went on to say that the biggest part of the surplus came from the non-commercial area. That is, from the State of Montana and the State of South Carolina, from the State of Texas and the State of Oregon, from the State of Washington and other corn and grain sections which are outside the commercial corn area, and also from the State of Pennsylvania, around the western section, about which the gentleman from Pennsylvania [Mr. FULTON] inquired a moment ago when he asked why we do not treat all corn alike. Incidentally, that is just what we are trying to do, and unless we do this program will be a complete failure and the money will be wasted as it was last year.

So you have two leaks. It is similar to water being fed to two faucets from a single main, with both faucets open. But the administration's bill and the bill of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] will only slightly close the faucet on one side and leave the other one wide open. Closing slightly in the commercial area and leaving the non-commercial area wide open will solve nothing. Both must be partially closed to solve the problem.

Suppose we brought a wheat bill here which had for its purpose to solve the surplus problem in the Wheat Belt, but it applied to only a part of the Wheat Belt. Would it solve the surplus? Of course not. Suppose we had made the wheat bill applicable to every State in the Wheat Belt with the exception of Kansas and permitted Kansas farmers to produce just as much wheat as they wished. Would it solve the problem? Of course not. The Andresen amendment presents an identical situation. His amendment is designed to simply slow down the production of corn in the commercial area and permit production to run wild in every other section of the United States. They will not deny that.

They know it to be so. The Assistant Secretary said it was so, and I have just read his words from his statement to the committee. He knows it is so. You cannot solve this problem unless you plug both ends of the leak.

Corn is corn. It makes no difference whether it is produced in Oregon or Illinois. A bushel of corn, no matter where it comes from, adds to the surplus. Unless we bring you a program that will stop the leaks inside and outside the commercial corn area, then we are going to waste a lot of money this year on the soil bank. Sure we are; and I refuse to be a party to it. We are going to encourage the production of more corn in the noncommercial corn area if we adopt the substitute. By its adoption we are going to make production attractive outside the commercial corn area. So the purpose of our bill is to do what? It is to stop the leak not only inside the commercial corn area but outside as well.

I know there are some Republican members of our committee that know that is true. I am not going to call names but they have talked with me about it. They know it is true. I am just as much interested in solving this problem as anyone. I do not want to do a half job, leave one leak open, and permit corn production to run wild again this year as it did last and year before.

Mr. SPRINGER. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Illinois.

Mr. SPRINGER. I think the gentleman knows that I grow more corn in my congressional district than any other congressional district in America. I have never taken a partisan attitude on this farm problem. I ask the gentleman this, and I think he will give me a straight answer: If this program which is proposed by the Andresen amendment costs \$500 million, how much more will this program cost that is proposed by the committee bill?

Mr. ABERNETHY. I can answer only by referring the gentleman to the report. The information is there. It is in the report. Our counsel worked it out.

I am interested in cost, sure I am; but I am also interested in results. We had the same program last year for the commercial Corn Belt that the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] is trying to put in now. We had it last year. I know they say it did not have a chance. Well, if it did not have a chance, they should not have thrown away that \$179 million. They spent the \$179 million last year and did not reduce corn 1 bushel. I am interested in cost, yes. I am also interested in results. They left the leak outside the commercial corn area open. I hold in my hand the table showing corn acreage outside of the commercial Corn Belt. There is a lot of it. It is increasing all the time. Now, are we going to leave it open by adopting the Andresen amendment? Are we going to repeat the dismal failure of last year?

Mr. SPRINGER. Let me ask the gentleman a question or two, and I think I can bring this thing to a head.

Mr. ABERNETHY. Let me have 2 more minutes and I will yield to the gentleman.

Mr. SPRINGER. I think this is the crux of the bill.

Mr. Chairman, I ask unanimous consent that the gentleman have 3 additional minutes so that I may ask these questions.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. SPRINGER]?

There was no objection.

Mr. SPRINGER. Let us reduce this matter to this. The committee report, as I understand it, says that approximately \$250 million has been the cost. Here on this side the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] seems to have figures, as I understand it, that it will cost \$800 million or \$900 million more. Apparently, there is a difference of opinion as to how much the cost is going to be. May I ask the gentleman this? I have wondered seriously about this whole question of feed grains. What would happen if you had this applicable—I am talking about just what has been proposed in the committee report on this second facet in the noncommercial area—if you just had for corn alone this kind of program in the noncommercial area. It is my understanding that it would only cost in the neighborhood of \$50 million or \$60 million; am I right about that?

Mr. ABERNETHY. I do not know what it would cost, may I say to my friend, I do not know.

Mr. SPRINGER. Is that about right?

Mr. ABERNETHY. I do not know.

Mr. SPRINGER. Well, would you say it would be a whole lot more?

Mr. ABERNETHY. I will answer that in this way.

Mr. SPRINGER. Those are my best figures on it.

Mr. ABERNETHY. I will answer in this way: 70 percent—actually a little better than 70 percent—but 70 percent of the Nation's corn acreage is planted in the commercial corn area; and a little less than 30 percent is planted outside the commercial corn area—and it is growing all the time; is it not?

Mr. SPRINGER. Yes.

Mr. ABERNETHY. That is right. All right then. The soil-bank payments are made on the basis of yield and the highest yields are in the commercial area; are they not?

Mr. SPRINGER. Yes.

Mr. ABERNETHY. And the lower yields are in the noncommercial area. Even if the yields were identical, it would cost on a ratio of \$7 as against \$3, that is, it would cost \$7 in the commercial area as against \$3 in the noncommercial area. That would be the ratio. Due to yields the commercial cost would be even higher and the noncommercial area would be even lower.

Mr. SPRINGER. All right, then, I think the figures are not too far off—about \$60 million. That is what it would cost, as I take it, to apply the plan which

you have in mind, as suggested here, to corn alone and not dealing with other feed grains. Is that a fair statement even if it is not exactly right?

Mr. ABERNETHY. I do not think we can solve the problem unless we apply it to all feed grains. That is what the Assistant Secretary of Agriculture clearly indicated in his testimony.

Mr. SPRINGER. You do not think it will solve it, if it is applied to corn alone?

Mr. ABERNETHY. I do not. Because in your own section, you diverted commercial corn acres to competitive feed grains. I have reference to those who complied with their corn allotments. Their diverted acres went to other feed grains; did they not?

Mr. SPRINGER. Well, a large part of it.

Mr. ABERNETHY. Some of them did.

Mr. SPRINGER. A lot went into the acreage reserve.

Mr. ABERNETHY. I am not speaking of last year only. I am speaking of the acreage-allotment program over the years.

Mr. SPRINGER. No; I was talking only of last year.

Mr. ABERNETHY. If I could go on, then I will yield to the minority leader. Now, if I may continue. There is an outstanding difference in the committee bill and Mr. ANDRESEN's bill that we ought to consider. The committee bill requires the farmer, to be eligible for price support, to put 18 percent of his share of the 51 million acres of corn into the soil bank. In other words, he has to actually reduce grain production. He would have to put 18 percent of it in the bank in order to get price support. But, under Mr. ANDRESEN's bill, it is quite possible that some farmers will not put in a single acre of corn or grain, get price supports and still collect soil bank payments. Here is the way it will work. If you will read his bill, you will note that it does not require a farmer to put grain in. It does not require him to put in any of his portion of the 51 million acres. It simply permits him to put in corn land or tillable land.

Well, he could have nothing planted on the tillable land; then put it in the soil bank and collect soil bank money, plus price supports on his share of the 51 million acres of corn. He is not required to reduce the production of corn or grain 1 bushel. He can plant his full allotment and just deposit open tillable land. This would be a repetition of the bonanza of last year. Our bill requires an actual deposit of corn or grain. Without such requirement the surplus will never be reduced.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield.

Mr. HALLECK. Of course we know of the gentleman's very effective solicitude for the farmers in his district and in his area. Do I understand that what you are proposing to do is to take a lot of your people out of what has become a more profitable part of the business of farming in order to prejudice the corn farmers up in my area?

Mr. ABERNETHY. I am not trying to prejudice anybody. My only interest is to try to bring a bill to this floor—and I am just as earnest in saying this as anything I have ever said—which will stop both of the leaks to which I referred to earlier. I am trying to perfect a workable program, an effective program, one that will reduce grain production and solve the surplus problems.

It has been said that we have cut down our cotton acreage and thereby encouraged increased acreage in other sections of the world. I think there is some truth in that. Likewise, if you cut down your corn acreage in Iowa, Illinois, and Indiana and leave corn farmers in Texas, western Pennsylvania, Colorado, Oregon, and other sections of the country not in the commercial corn area, to plant unlimitedly, what will happen? Of course they will increase their corn acreage. You are going to make it attractive for them. How? You are making it attractive because you will be siphoning out of production the commercial corn farmer and thereby encouraging the noncommercial area farmer to plant more acres to corn.

Perhaps this soil bank thing is costly. I think it is ridiculously so. I also think the results we got last year for that \$179 million spent in the commercial corn area are ridiculous. It is positively disgraceful. The odd thing about it is that the minority is asking us to do it again. I just do not think it is good business.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. HILL. Mr. Chairman, I rise in support of the Andresen amendment, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection? There was no objection.

Mr. HILL. I also ask unanimous consent that I may proceed for 10 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HILL. Mr. Chairman, I am sorry too, as my good friend from Mississippi said, that these personalities in the committee work have come into the discussion before the House. But if you want to air the different views on the inside of our committee, you are inquiring from the proper source. I do not have 1 acre of commercial corn in my area. I can match the gentleman. I am only trying to do what I think my conscience dictates, which is to work out the best bill we can possibly get for the emergency now existing in the production of corn. We are not discussing sorghum grains. It was not mentioned in the bill introduced on January 16. We are all in favor of including all feed grain in the overall farm picture. Every one of us. But we are not in favor of a monstrosity such as was introduced to our committee, on which we never held 1 single day's hearings. The committee did order hearings on the corn bill.

Let me say to the gentleman from Mississippi [Mr. ABERNETHY], we do not use politics just because we are on the

minority side. I say to you frankly that on the other side they have played real politics. I hate to do this. My conscience says I should not, but I do not appreciate the statements made by the gentleman from Mississippi [Mr. ABERNETHY]. But what did we do for him? There is not a man on the committee that has received the political support from the Democratic side that the gentleman from Mississippi has received and from us on the Republican side also, even to the extent of supporting legislation in which he was personally interested.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. Of course, I yield. That is a true statement I am making. I yield to the gentleman, but ask a question; please do not make a speech.

Mr. ABERNETHY. My friend from Colorado and I generally always agree.

Mr. HILL. What is your question?

Mr. ABERNETHY. I really believe that we would be better off if we did not get our personalities too involved in this.

Mr. HILL. Exactly.

Mr. ABERNETHY. And I certainly did not bring it up.

Mr. HILL. Let us see that everyone on the right-hand side does the same, and I will say no more on this.

Mr. ABERNETHY. The gentleman was talking about Mr. ABERNETHY in that last statement, was he not?

Mr. HILL. I am not making any further statement about it.

Mr. FULTON. Mr. Chairman, will the gentleman yield to clear up a misunderstanding? I hope he will yield. I hope it was only a misunderstanding.

Mr. HILL. If the gentleman has any misunderstanding, I will yield to him.

Mr. FULTON. I hope it was not the intention of anyone here to state that the great Committee on Agriculture has brought out a bill on this floor for the benefit of one Member.

Mr. HILL. I did not say any such thing.

I said that in times gone by we supported the gentleman from Mississippi on a piece of legislation that he said, if he did not get it, it meant his political life.

Mr. ABERNETHY. It might have.

Mr. HILL. He agrees with it.

Mr. FULTON. That is hardly an adequate reason for the Agriculture Committee to bring a bill to the floor.

Mr. HILL. The gentleman heard what I said. Now, referring to the action we had on the floor of this House on the bill offered by the gentleman from Texas, the deferred grazing bill, that was pushed through this House with very little opposition. It is a good piece of legislation—just the same as we could put through a bill on the floor of this House on all feed grains if we would go about it as a committee and not bring politics into this matter.

Let me show you 1 or 2 things that are going on. There is an unusual condition in the House on this bill. I noticed yesterday that only 1 or 2 Members on the majority side stood up during general debate and discussed this bill. There are reasons for that. Let me say

frankly that the minority side of the Committee on Agriculture has tried to be just as kind and as gracious as we could possibly be to some of the programs of emergency that have been considered by our committee.

Now when we consider a corn bill we immediately find opposition and a refusal to go along with a bill that the farmers—now watch the statement—61.5 percent supported in a referendum vote last December.

Just what are we doing when you oppose this bill—the farmers wanted it to the rate of 61.5 percent. I gave you those figures yesterday and they are in the RECORD.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. Of course I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman is saying that the farmers approved this bill by 61.5?

Mr. HILL. I do. They approved the corn program offered in the Andresen bill.

Mr. ABERNETHY. I think the gentleman has modified his statement.

Mr. HILL. I say it is as nearly exact as it can be.

Mr. ABERNETHY. But there are differences in the price-support level, are there not?

Mr. HILL. There was no difference in the price-support level. There was a certain organization went up and down the country side saying that it was a support from nothing to 90 percent on corn which certainly was not a fact.

Mr. ABERNETHY. The Secretary could, if he desired, place it even below 70.

Mr. HILL. I do not believe he can, although I am not a lawyer. I do not think he could have, and I do not think he would have.

Mr. ABERNETHY. He said he could.

Mr. HILL. Let us not get politics into this, but talk about it on its merits.

Mr. ABERNETHY. I am just trying to get the thing clear. He testified that he could have, but that he had no intention of so doing. That is the way I remember the testimony.

Mr. HILL. The gentleman wants to clear it up by getting the water more muddy.

Let us get back to what I wish to talk about. I am convinced in my own mind that behind this Cooley-Poage bill—and that is exactly what it is because it originated in the committee and was not offered by any particular Member. Now I do not accuse anybody of wrongdoing. Someone said yesterday over 33 1/3 of the acreage of cotton in the present program has been taken out of cotton production, that a high percentage has been taken out of tobacco and that a high percentage has been taken out of rice. Now all this acreage can be placed in the soil bank up to 18 percent of the idle acres. Let me ask a question. Did it ever occur to a single soul on the right-hand side of this aisle that every agriculture bill that has been offered to help the cotton, peanut, and tobacco growers in the past has been supported by the Republican side of the committee.

I was reading the statement of a great former Vice President appearing in the U. S. News last night, the Honorable John Nance Garner. It would do you good to read it and I would be willing to buy a copy for any Democrat if they will read the statement made in the U. S. News by that great gentleman, one of the greatest who ever served as Vice President and as a Member of this House for 38 years. He said some very cute things. I want to read one of them, just to show you what is going to happen to the soil bank if you pass the Cooley-Poage bill. How smart he is. How he can see into the future I do not know, but he did.

The theory of the soil bank is not to produce any more than you can use or sell to foreign governments at a profit.

So said Mr. Garner.

That is the theory of it, and I hope it will work out.

It is so complicated I cannot see it at all.

If he had seen this bill he would say it is even more complicated.

I would not say yea or nay about it.

Now, listen to this, and I would invite the attention of the gentleman from Texas [Mr. POAGE] especially to this:

I know it is better than what the Democrats have got by subsidizing the farmer.

I will put that in the RECORD.

I do not think I should go any further on that, because my time is running out. Now, let me tell you something that was said on the floor yesterday. It is very easy to make remarks about farming if you do not know what you are talking about. It is a fine thing. Someone said yesterday that there were no surpluses. That is a huge joke.

Let me show you what you are doing today. For the fiscal year ending June 30, 1956, we paid out a total of \$374,087,260 for the storage of surplus agricultural products. That is not hay. Now, who is going to tell me you have not a surplus of cotton or peanuts, who is going to say that we have not a surplus of tobacco? I am telling you, frankly, that all of these surpluses that are bothering us today are the result of action under the basic act of 1938.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentlemen from Mississippi.

Mr. WHITTEN. I would like to point out, as I have through the years, that the so-called surplus of these commodities except surpluses to our domestic demand had been made surplus by refusal to sell in world markets. If the Department of Agriculture had kept these commodities in world trade at competitive prices, we would have had world markets and we would not have had surpluses. They have been made surplus by the nonaction of the Department.

Mr. HILL. The gentleman knows full well that our present Secretary of Agriculture has sold more surplus products in 1 year than all of the other Secretaries have sold in history. The gentleman knows that better than I do.

Mr. WHITTEN. If the gentleman will yield, he will recall that 2 years ago my committee in its report told the Depart-

ment of Agriculture they had to use their authority. We went so far as to advise the Department that they were not going to get any money out of the subcommittee to control production of commodities they refused to sell. We set up by the committee action a sales organization and demanded that they sell. Now while he has started to sell them it was under a shotgun and there would not have been surpluses if the Secretary had used his authority to sell. But the Department held them so long that they accumulated beyond what you can move out overnight.

Mr. HILL. I am glad the gentleman used the word "shotgun," because that is the way this bill got here, by virtue of shotgun tactics. It is born out of wedlock.

Mr. WHITTEN. I am a member of the Agriculture Appropriations Committee, as the gentleman knows. Of course, I have not any knowledge of what happened in the Committee on Agriculture, but if this shotgun is as effective as ours was on the Secretary in making him sell these commodities, I will be for the use of such weapon by the committee.

Mr. HILL. I am glad the gentleman feels the way he does.

Mr. Chairman, I have the latest figures from the Department of Agriculture to show the cost to store a given product for 1956.

For the fiscal year ending June 30, 1956, we paid out a total of \$374,087,260 to pay for storage of surplus agricultural products.

The latest figures available from the Department of Agriculture show that it cost the following amounts to store the given products for the month of December 1956:

Corn	\$8,445,107
Wheat	15,051,903
Cotton	2,330,915
Sorghums	1,082,433
Barley	661,122
Oats	406,908
Rye	112,098

For the month of December it cost \$40,234 each hour to store our Commodity Credit Corporation stocks. That amounts to \$670 a minute. If these figures are for something other than a surplus that is "burdensome" and "troublesome" we better look into it.

Investment basic commodities

Nov. 30, 1956:	
Corn	\$1,928,973,000
Cotton	1,759,399,000
Tobacco	660,975,000
Wheat	2,759,039,000

Total investment for basics..... 7,330,786,000

Nov. 30, 1955:	
Corn	1,467,142,000
Cotton	2,048,464,000
Tobacco	560,137,000
Wheat	2,847,838,000

Total investment for basics..... 7,208,329,000

Grand total, of all investments — pledged loans and inventory for basic and nonbasic crops:	
Nov. 30, 1956	8,169,551,000
Nov. 30, 1955	8,206,826,000

You just cannot read these figures without saying we do have great surpluses. A surplus is a surplus whether it is in the hands of the Government or whether it is in the farmer's grain bin, and that surplus has a deadening effect on the price of agricultural products. And, I might also say to the gentleman from Mississippi that the best information I can get—and here is where I have heart failure—is that corn keeps in good condition for 4 years—that is, the length of storage—that it will hold and stay in good shape and not over 10 years for wheat. Now, you understand the loss that could be taken on this storage. The only storage product you have that will hold its own is cotton, and you cannot compare cotton with corn. There is no comparison in any way between cotton and corn. Corn is fed on the farm or in the feed communities. Try eating your cotton.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HILL. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I am serious about this.

Mr. HILL. I am glad to see the gentleman get serious.

Mr. ABERNETHY. I want to ask the gentleman this question: What is the gentleman going to propose or do to reduce the surplus production of corn and feed grains outside of the commercial corn area where Mr. McLain, the Assistant Secretary of Agriculture, says the problem has been created? What are you going to do about that?

Mr. HILL. I will answer that. If the gentleman will just sit down and listen for 2 or 3 minutes, I will answer, because I think I know as much about sorghum grains as any man in this House.

Mr. ABERNETHY. That is the reason I asked the question.

The CHAIRMAN. The time of the gentleman from Colorado has expired.

Mr. ABERNETHY. Mr. Chairman, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HILL. I thank the gentleman. I will say to the gentleman from Mississippi, in all good conscience, that our Committee on Agriculture, after all, is a most important committee in this House. When we deal with products, we are dealing with the lifeblood of our beloved America, not only in 1957 but in years to come.

Mr. ABERNETHY. But they are not in surplus. I am talking about corn.

Mr. HILL. I will take care of the sorghums. Now, here is the answer. The gentleman knows full well that I said in committee—and I said it yesterday in my remarks, if you will notice—that we, by any manner of means, should get together just as quickly as our committee can be organized, and we should call in all of the experts, including the many, many farmers who grow grain sorghums, and the fine representative from Oklahoma A. and M. College who developed

hybrid sorghums that will produce 40 to 200 percent more bushels per acre. I will join with the gentleman from Mississippi to work out a longtime grain program.

Now let me show you why you cannot do it in this way. We have land all over the high plains States, the 17 States, and these States have a lot of land that should not have been plowed up. Some is not very good. Now, if you get \$10 per acre payments for soil bank compliance in much of this area for 3 years, you will have paid more out of the taxpayers pockets than the land is worth. There are hundreds of thousands of acres you can put into kaffir corn and milo maize.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield further?

Mr. HILL. I yield.

Mr. ABERNETHY. The gentleman then does concede that there is a surplus problem in corn and grain outside of the commercial corn area; and as I understand it, the gentleman is going to let that pile up 1 more year while we work on it the rest of the year. If that the gentleman's idea?

Mr. HILL. No; the gentleman misunderstood or misinterpreted what I said. What we should do is to pass the Andresen bill. It would take out corn acreage where it is being produced at 120 to 200 bushels to the acre. If you take out that kind of corn soil, you have done something to help the corn situation. But you are not going to help the corn-growers by taking out a lot of cheap land in areas that produces little to the acre.

Mr. ABERNETHY. But what are we to do about this additional surplus that is going to be grown this year? That is what we are trying to cure.

Mr. HILL. You have horsed around with this bill until it is now the middle of March. I doubt very much whether either one of these bills will get through either House in time to do a whit of good in 1957. I do not admit that it is my fault.

Mr. ABERNETHY. Well, the Secretary horsed around with it for 50 days.

Mr. HILL. Perhaps he was entitled to horse around with it, considering the kind of men he had to work with.

Mr. HALLECK. Mr. Chairman, would the gentleman yield?

Mr. HILL. I yield to the gentleman.

Mr. HALLECK. Let me say first of all that when some of my very good friends on the other side of the aisle for whom we have gone to bat to help them when they had their problems in agriculture get up and begin to talk about how they know all about the problems of agriculture in our part of the country, and that they are willing to make these great sacrifices to help our people, I begin to be just a little suspicious. The fact of the business is that the Andresen bill as it seeks to deal with the problem of the corn farmer in the Middle West can be effective this year. The proposals beyond that, contained in the committee bill cannot be effective and cannot do anything this year. You have got to set up a whole new machinery. So I am just forced to conclude from what I have heard that what you really want is to get a lot more money out of the Treasury

without doing very much to help the corn situation generally over the country.

Let us get on with the passage of the bill that will do something to meet this problem this year and then if there is something else that needs to be done—and that has been mentioned here time and again—we can get on with that.

I asked the gentleman from North Carolina [Mr. COOLEY], speaking on the bill yesterday, if it was imperfect in many places. I thought it was so, I had heard it was so. He said, "No; it is very carefully worked out." His fast-talking friend, whom I love, the gentleman from Texas [Mr. POAGE] followed him and he said that the bill is not perfect. I will get his words; I do not want to misquote him; I want to get it right:

The bill is, of course, rough. The bill has defects in it. There are amendments we need to offer. There are perfecting amendments which we will offer. We want you to understand we are not bringing it to you as a perfect instrument.

Then he went on to say that the minority Members did not help him enough to get a good bill.

You plead guilty to having a bill here that you yourselves say is not right, yet you want us to embark on this new program.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say first of all that probably from the standpoint of agriculture in this country and from the standpoint of the Congress and the work it has to do, it is unfortunate that this situation has developed the way it has. It is much more pleasant for all of us to come here in substantial agreement among ourselves and deal with a problem that is before us.

We had some conversation yesterday as to who was responsible for that. I took the position that the responsibility lay with the majority members of the committee because they refused to deal with what, I am sure, everyone recognizes as an emergency in the commercial corn area as we have sought in the past to deal with emergencies in the cotton areas and in the wheat areas.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. COOLEY. If this is an emergency, why does the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] propose to deal with it over a period of 3 years?

Mr. HALLECK. If it is a good arrangement, possibly it would operate for 3 years effectively. What I am saying is the emergency exists this year. It needs to be dealt with immediately, and the gentleman from North Carolina is much too wise in the ways of the Congress of the United States, in the ways of this body and the other body and the executive, not to have known that when you injected all of this new matter, you were promptly heading for trouble. It was with some pride that I said that as majority leader of the Repub-

lican 83d Congress we moved to do something for wheat in increasing acreage; we did something for cotton by increasing the acreage for cotton. The gentleman from North Carolina said to me, in attempting to differentiate, "You did not pay the cotton farmer or the wheat farmer." Then a little later on the very able gentleman, who backstops the gentleman from North Carolina, Mr. POAGE, of Texas, came along to explain to us how expensive the Andresen bill would be. I referred to those figures as a little fantastic, and I think they are, but he went on to point out that you would have 13.7 million acres of corn production in the commercial corn area, with an average yield of 49 bushels per acre; at \$1.36 per bushel, it would cost \$924 million. That scared everyone. Then I began to wonder, just why is this so much different than what we did for cotton and wheat. Let me point out to you that the Andersen bill will give the corn farmer equal treatment, and he deserves to have it.

If you applied the program that is presently in the law against cotton, you would cut cotton production back to 3.9 million acres, a reduction of about 13.7 million acres, to be exact.

Mr. JONES of Missouri. Who is responsible for that statement?

Mr. HALLECK. What I am saying is true.

Mr. JONES of Missouri. Well, you do not claim to be an expert do you? Who is responsible for that statement?

Mr. HALLECK. Well, I have heard it said that an expert is just a fellow away from home. I am not a member of the Committee on Agriculture. I am not so sure, after listening to some of the arguments around here but that I am an expert just as much as some other people. I am saying what the cotton acreage would be if you had not had legislation giving you the increased acreage. So let us follow Mr. POAGE's method of computing on what we did for cotton. We added 13.7 million acres, with an average yield of 400 pounds at 30 cents a pound, which would be \$1,644 million every year that the cotton farmers are getting because we gave them that increased acreage.

For wheat we added 42.6 million acres, average yield 15 bushels, multiplied by \$2 per bushel, the average price, or \$1,278 million. For one year we just add \$2,922 million that these farmers are getting which they would not get if it were not for the fact that we gave them this increased acreage, rather than require them to go down to the limits that would have been imposed by the legislation that you people wrote.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. Yes, I yield.

Mr. ABERNETHY. The last cotton bill that I remember anything about was passed in the 83d Congress when the gentleman from Indiana was majority leader, and it took 250,000 acres away from my section and gave it to California.

Mr. HALLECK. Of course we always have trouble dividing up the acreage that you cotton people want.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent, Mr. HALLECK was granted 5 additional minutes.)

Mr. HALLECK. If the gentleman had been here he would have heard me say that I prided myself, as a man from the North and a Republican and with the responsibility of majority leader, to come in here and cooperate with you people in your program, something that you apparently will not do with us now. Everybody can take his own reason for why that is being done.

In addition to that, the money that has been provided for cotton since approximately 3.40 million acres of cotton will go into the soil bank, this acreage times a hundred pounds per acre, times \$15 soil bank payment totals up to \$204 million more. What do you mean by coming in here and saying that the cotton farmer and the wheat farmer did not get something out of what we did for you, when we increased the acreage over and above what was allowed under the program?

There is another thing I want to call to your attention. I have been trying for a long time to get the committee people to put a price tag on your bill. I have been hearing a lot of talk around the country that the budget is too big, that the Eisenhower budget is too big, \$71,600,000,000, and we are told to do something about it.

Let me say to my good friends on the right-hand side of the aisle, and the people of this country are not going to forget it: This is the first real money-saving opportunity that has been presented to you. If you pass this bill you are going to vote something between \$500 million and \$1 billion more out of the Treasury this year. How are you going to justify it? I would like some of you to go back home and explain to your people who are writing you even as they are writing me, that the budget is too big, that when you had a chance to save from \$500 million to \$1 billion you threw the chance out the window.

The gentleman from Texas [Mr. POAGE] does not generally make very many mistakes.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield right there?

Mr. HALLECK. I want to go on, if I may.

"The committee bill does involve a very substantial expenditure of funds, very substantial. We believe that it will achieve something. There has been an intimation that the Andresen bill would involve practically no expense," the gentleman from Texas [Mr. POAGE] says, and I understand from around the edges that he is really the author of this bill. Normally, in such a situation I would almost automatically give it my stamp of approval, but I am afraid this bill is going to work to the detriment of those solid, dynamic farmers in my State and in the Middle West because you are moving in with your feed grains and corn and all these other things that are proposed. You are moving in now to disrupt the program that was approved by a vote of 61.5 percent, or to put it another way,

61.5 percent voted against your proposition.

Mr. Chairman, the bill the majority has brought in is a tremendously expensive bill. There is no figure. That has already been admitted here. I have stated the reasons that operate against its adoption here or even its consideration: No. 1, it was not given that careful consideration any bill should have by the committee before it reports a bill to the floor.

I applaud the gentleman from North Carolina for his stalwart defense of the Committee on Agriculture. I did not know it needed any. I always thought we could depend on you to bring in a bill that you did not have to say needed amendment, but that is the kind of bill you brought here. This is no place to write that kind of bill.

Secondly, it is going to cost an awful lot of money. The results to be achieved are highly questionable, to say the least.

So I say, because it has now been disclosed by almost unanimous agreement on both sides, the Andresen bill substantially is in line with what needs to be done for the corn grower in the commercial area. There is no doubt about that. You ask us to amend your bill. If you do not like the Andresen bill you can amend it. It is pending as a substitute bill which is open to amendment at any point. We would be glad to receive your suggestions.

Mr. Chairman, the orderly way to proceed is to deal with the emergency. You know, we all live to run another day, we hope. You people in your areas of agriculture are going to run into trouble from time to time.

I would like to point out that we have supported you in the past in time of your trouble, but what you are doing here in this time of our trouble just does not fit very well with me. It is all right to undertake to talk about the things that must be done, the things that were not done, and who is to blame. Let us forget that for the moment. Let us get ahead. We have a problem here that must be met. Let us meet it, and we can meet it without spending another half-billion or billion dollars of the taxpayers' money. That is what we ought to do.

Mr. POAGE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I can well understand the confusion that has arisen as to the cost of these programs. I think it is well that the membership of the House give some consideration to the cost of these programs because, after all, that is basic. Most all of us here have agreed that there is need for a program. But honest men can decide that all of the answers are too expensive. In my opinion, the committee has an answer that is the most economical and the most practical that could be offered. But there are honest and sincere men who may feel that the committee bill is too expensive. It would, however, be a grave mistake to assume that the committee bill would involve us in obligations that would be avoided by the Andresen substitute. It must be said in all fairness

that the distinguished gentleman from Indiana who just preceded me in effect admitted that the figures I gave you yesterday afternoon were correct. I gave you figures as to the potential obligations under the Andresen bill. I told you that I did not think either the Andresen bill of the committee bill would involve us in the expenditure of that much money but that under the Andresen bill we could involve just exactly this much, and it figures to \$924.8 million for the year 1957. That is not guesswork nor is it somebody's estimate. It is a mathematical calculation of maximum costs. Nobody has challenged it.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Indiana.

Mr. HALLECK. I referred to the gentleman's figures which he gave yesterday as fantastic. I said that I still think they are fantastic. I believe that now. All I did was to take the gentleman's way of computing the cost and applying it to cotton and wheat and it came up to \$2.9 billion as against the gentleman's \$800 million. I will agree with the gentleman immediately that the committee bill will not cost \$2.9 billion and I certainly indicated that when I said the cost would run from \$500 million to a billion dollars. The only thing I was doing was projecting the gentleman's figures on to cotton to prove that the gentleman's figures given us yesterday were fantastic.

Mr. POAGE. Will the gentleman show us how they are fantastic, other than that they are maximum figures and are based on the premise that everybody will enter into the program. If there was 100 percent participation, that is what the Andresen bill would cost. Am I not correct?

Mr. HALLECK. I do not recall that the gentleman used the words "if everybody entered into the program."

Mr. POAGE. I did not say that I said that yesterday. I say now that these figures are the figures that would result if everybody in the commercial corn area participated.

Mr. HALLECK. Let me ask the gentleman what the cost of the committee bill would be in excess of what the Andresen bill would cost? What price tag has the gentleman put on that?

Mr. POAGE. I think the committee bill would cost about \$250 million.

Mr. HALLECK. Above the Andresen bill?

Mr. POAGE. No; about \$250 million all told.

Mr. HALLECK. Of course, the money is already provided for whatever needs to be done under the Andresen bill.

Mr. POAGE. No; the money is not provided. There is not a dollar of this money I have referred to here provided because that money would be paid out of the funds of the Commodity Credit Corporation. We do not provide that money until they actually get a deficit.

When the gentleman speaks of cotton, he makes a very persuasive argument as to what it might cost in regard to cotton, but actually when the present Secretary of Agriculture became Secretary we had

a net profit of \$267 million on our cotton operation in spite of the vast sums he said we may have imposed on the country. I read from the present Secretary's report as of December 31, 1956, which is the last one of this kind, and it shows that this Secretary had only been able to lose \$161,850,000 on cotton. That is from the inception of the program. So, it seems quite clear that the gentleman has not proven that we are losing anything like that amount on cotton. We did not lose a dollar on cotton supports under 20 years of Democratic rule. We had only lost \$160 million on the cotton program under 4 years of Benson—and those are Mr. Benson's own figures—and not \$2 billion, as the gentleman from Indiana suggests we ought to have lost on cotton, because of what he says has already taken place. We put a floor under the allotment in cotton, and there has never been a day in the history of the United States when the cotton allotment could legally drop to 3.9 million acres, which he suggested, but the corn allotment is today—not tomorrow, not yesterday, but the corn allotment as legally prescribed by your Secretary of Agriculture is today—37.3 million acres of corn. Now, that is all it is. We are not talking how much that allotment might be cut if we changed the law. The corn allotment is 37.3 million acres of corn. Now, we might change the law as the gentleman from Indiana suggests we might for cotton and let it drop to 3 million acres of corn, but we do not intend to. On the contrary the committee comes out and writes in our bill a floor 6 million acres higher than the Secretary of Agriculture established for corn growers.

Mr. DIXON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, my attitude toward H. R. 4901 is described by a story which was told by our speech teacher, who witnessed the deal, to the mathematics teacher. He told it to his secretary and his secretary told it to my secretary, so I imagine it is true.

In Pocatello, Idaho, during the war, when cars were scarce, when we had to have priorities, an Indian from the Blackfoot area came up and admired the last Buick car in the sales room. After about a half hour, he said to the salesman, "What it cost?" The salesman told him. The Indian said, "Me take um." The salesman said, "You must have a priority to buy this car." The Indian fished a priority out of his pocket. The salesman said, "Have you got the money?" He peeled out the greenbacks and paid in full. The salesman said, "Now, you wait about half an hour, and I will service the car."

The Indian waited. He met the salesman out in front, and the salesman asked him, "Do you know how to drive?" The Indian thought a moment, and he said, "Maybe so." Well, the salesman said, "If you do not, I will teach you." The Indian said, "It is my car." So the Indian got in, and just then a GI came up and asked the Indian if he was going north. The Indian said, "Yes." The GI asked him if he could ride along, and he said, "Yes." So the GI got in, and,

with the help of the salesman, the Indian started the Buick. When he ran the first red light in the middle of Pocatello he was going 30 miles an hour. He was going about 60 when he ran the second light. The GI became terrified and put his hand on the Indian's arm and shouted, "I want to get out." The Indian said, "Me, too."

Where is this farm program taking us, gentlemen? I have great regard for the logic of the gentleman from Mississippi, my friend and colleague [Mr. ABERNETHY]. If you put corn under, then you should put feed grains under; if you put feed grains under, then everything else should go under. It is just like Bill Nye said in his history of the United States—that the people around Chesapeake Bay grew corn in the summer so they could dig clams in the winter, so they could grow corn the next summer so they could dig clams the next winter so they could grow corn the next summer. Once you start, there is no stopping, or no solution.

I am afraid to ride, as this GI was, with this bill, H. R. 4901, for reasons as follows:

First, it is going to be ineffectual because of the "phantom acres," and it will not go far in reducing surpluses or taking acres out because of lack of data. We cannot get data.

Second, it would ultimately double the acreage under Federal control. It could add 115 million acres and we only have 119 million under control now. That would almost double Federal control.

Maybe I should not say this out loud, but I think that the brutal truth of it is that if we do what is best for agriculture we would eliminate all the formulas, the same as we are already doing for feed grains and oil crops. So we could provide the support necessary to orderly marketing only. The program was never intended to be a price-fixing program, anyway. This would give the law of supply and demand a chance to operate just a little. So much for Federal controls. I think we ought to go more away from them than into them.

Third, this bill would supersede and in some areas scuttle the soil bank. The soil bank measure has been carefully thought out. I cannot say the same for H. R. 4901.

Fourth, H. R. 4901 is so broad in its application that it cannot be put into operation in time to help our corn farmers who need the help.

In the fifth place, it is too complicated to administer equitably and without widespread abuse.

Sixth, it would add about 9,122 more employees of the Department of Agriculture. The United States Department of Agriculture had 70,803 employees in 1955. It had 77,520 in 1956. It had 81,747 in 1957. If we add the other 9,122, by next year it would have about 90,869 employees.

Seventh, it is prohibitive in its cost considering the value received. The best estimate I could get would be \$996 million. With the Department of Agriculture budget over \$5 billion, plus the \$996 million of H. R. 4901, the budget would

reach \$6,173,000,000. That is more than half the entire net agricultural income of \$11,836,000,000.

Mr. Chairman, if we want to get more money in the farmer's pocket there are more direct and better ways to do it where so much of the money will not be drained off in overhead.

If we continue to add to the topheaviness of this farm structure it is going to fall of its own weight, and it will fall down on our heads. That is why this bill would take us so fast that I want to get out. The Andresen amendment is conservative, more effective, immediately operable and adds nothing to our budget which is already too high.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, first I would like to identify myself in relation to this corn bill. The district I represent in Missouri is composed of 11 counties. Eight of those are in the commercial corn area, so I think that I can speak for people who are interested in raising corn.

Unfortunately, however, 4 of those counties in the referendum last fall voted one way, 4 voted another way. So those people down there in the commercial corn area in the district I represent cannot get together much better than we can here in the Committee on Agriculture.

I am opposed to the Andresen bill not because of the money involved but because it does not reach the problem that we are trying to solve. We can have only one justification for coming here today and asking for any kind of bill, and that is to solve a problem. If we do not solve the problem we will have wasted all the money that we spend.

I am supporting the committee bill because I think it does reach to the problem we are trying to solve. I was interested when the gentleman from Indiana a minute ago spoke of the fact that this bill had not been perfected in the way it should have been, and he recommended that we adopt the Andresen bill. I call the gentleman's attention to the fact that the Andresen bill, about which we have been talking for a long time, and which has been written up in the newspapers and has probably been supported by many people, including the gentleman himself, as introduced is not the Andresen amendment which is offered here today. So the first thing, let us distinguish between those two.

Another thing, the Andresen amendment which has been offered here today is not an emergency measure. I would go along with the gentleman from Indiana when he says that this is an emergency and let us take care of it for this year. I will go along to take care of it for this year. But if we do adopt that bill, I say let us put an amendment on there.

I propose to offer an amendment when the proper time comes. The reason I did not offer it now is that I frankly wanted to get a little more than 5 minutes to talk, so I will offer it later. But I think we must make this Andresen amendment, if it is adopted, for this year only, so that we may be sure we are going

to have the interest of everyone to consider the whole problem together and solve it.

I know there are people here and there are people out over the country who are very strongly in support of the so-called Harrison bill or the Polk bill, introduced by the gentlemen from Nebraska and Ohio. One of our larger farm organizations supports that bill, not the Andresen bill but the Harrison bill. I asked the gentleman from Nebraska about it and he said yesterday he was supporting the Andresen bill. He said, "I am supporting the Andresen bill as of now, and if that is defeated I will offer my bill." I think that is possible, because if we are going to have a bill of that type I think we should get the Harrison or the Polk bill in preference to the Andresen bill, because I think they would be better, but I do not think they would solve the problem, either.

The main thing I should like to impress on the House today, and particularly those from the cities, is this: You talk about the commercial corn area and you say, "What is a commercial corn county?" I believe that was asked me yesterday. The commercial corn areas change from year to year. It is based on the average of the corn production in any particular county. If it averages 450 bushels to the farm plus an average of 4 bushels to the acre throughout the county, then you are a commercial corn area. While the original estimate is based on a 10-year average, the Secretary of Agriculture on February 1 of each year, if he thinks a county would qualify, can make it a commercial corn area or he can take it out and put in a noncommercial corn area.

As the gentleman from Illinois said a minute ago, there is no reason why we should not consider corn as corn, and that is one thing we are trying to do in this committee bill. We are not only considering corn as corn, and we are trying to encourage people to take the cornland out, but we are also encouraging them to take out of production the grains that are in competition with the corn. You are not going to solve this problem, and there is no use of spending \$500 million or \$250 million or any other amount unless you solve the problem.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield to the gentleman from Indiana.

Mr. HALLECK. I want to say while I do not claim to be an expert I appreciate the gentleman's great knowledge of this subject.

Mr. JONES of Missouri. I just asked the gentleman for his information a minute ago. If he is prepared to give that, I would like to have it.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes to offer an amendment.

Mr. HOFFMAN. Reserving the right to object, Mr. Chairman, may I ask the leadership whether they expect to finish the bill tonight?

Mr. COOLEY. Mr. Chairman, if I may be recognized to do so, I should like

now to ascertain if it can be possible to agree on some time to close debate on this amendment and all amendments thereto. I would suggest debate close at 3:45.

Mr. HOFFMAN. I was trying to find out when we will finish. If you are going to finish tonight, I think the time should be limited, and given to Members who have not had time before.

Mr. COOLEY. It is not my desire to cut off anybody from the debate, but we can count the Members standing now, and it seems to me 45 minutes would be ample time.

Mr. HOFFMAN. Mr. Chairman, I withdraw my reservation of objection.

Mr. H. CARL ANDERSEN. Mr. Chairman, reserving the right to object, I yield to the gentleman from North Carolina, but first I want to say up to now we have had practically nothing but a political discussion.

Mr. COOLEY. The gentleman is exactly right. I agree.

Mr. H. CARL ANDERSEN. There has been no discussion on the merits of amendments which will be offered.

Mr. COOLEY. That is right.

Mr. H. CARL ANDERSEN. This House is in very poor shape unless we can afford to take tomorrow, if necessary, to finish a mighty important bill. For that reason at this time I will object and fight against any limitation of time to the best of my ability.

Mr. COOLEY. Certainly, I am not going to insist upon my request, may I say to the gentleman from Minnesota. I know the gentleman has an amendment, and I know that other Members have amendments. I was just trying to see if it would be possible to come to some understanding at this time.

Mr. WHITTEN. Mr. Chairman, if the gentleman would yield, I would appreciate it very much if the gentleman would withdraw his request. I must call his attention to the fact that on the last three major legislative bills from his committee—and I handle the appropriation on the bills—I have been cut off to where I had only 1½ minutes on each of the last three major bills from the Committee on Agriculture, and that was done by a limitation of time for debate.

Mr. COOLEY. Certainly, I am not going to insist at this time, Mr. Chairman.

Mr. JONES of Missouri. Mr. Chairman, I ask unanimous consent that I may be permitted to offer an amendment to the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDERSEN].

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. JONES of Missouri as an amendment to the Andresen amendment: In the first paragraph, strike out the words "each of the calendar years 1957, 1958, and 1959" and substitute the words "the calendar year 1957."

Mr. JONES of Missouri. Mr. Chairman, I have not been discussing this bill from a political standpoint, and I do not intend to so discuss it. I am discussing this bill from the standpoint of the

American farmer, the American consumer, and the American taxpayer. We have had words from people on both sides of the aisle that we will consider an overall farm bill, and that anything we do here today might detract from that unless we adopt the committee bill. If you will adopt this amendment to the Andresen bill, that will take care of that situation, in the event the Andresen amendment is adopted. Then we will have an opportunity to go on and consider the overall problem and know that we will still have the interest of the corn farmer—who might not be interested so much if he thought he was taken care of for 3 years.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. HOEVEN. Will the gentleman vote for the Andresen bill, if his amendment prevails?

Mr. JONES of Missouri. No; I announced in advance that I would not vote for a bill which I thought was wrong, but if we are going to have to have it, let us treat it as an emergency situation. Then, too, the fact that a person is not in favor of a bill does not mean that he should not try to perfect it and get it in the best shape possible—that is all I am trying to do.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. HALLECK. Is it not true that when we provided for the minimum acreage for cotton and wheat, it was fixed for 3 years?

Mr. JONES of Missouri. I think that is true.

Mr. HALLECK. That is true. In other words, when we took care of cotton and wheat, we did it for a 3-year period. So some of us figure that what is sauce for the goose is sauce for the gander. Any law can always be changed if it is found to be unworkable. But why not follow a pattern that we have followed in preceding situations such as this?

Mr. JONES of Missouri. There is a difference, I want to call this to your attention, by doing that you did take care of specific situations. Now, the Andresen amendment does not take care of this situation which you say prevails. The Andresen amendment does not strike at the surplus of corn and feed grains which are together. That is the difference that I say exists. But, the committee bill, H. R. 4901, does strike at the whole proposition. I do not know what the cost is going to be under either one of these bills, but if you are justified in spending one dime, we are justified in spending enough money to put the thing across and to solve the whole problem. You are not going to solve this problem in the area that I live in. I have eight of these commercial corn counties, and the people down there differ just as they do in any other part of the country. But you are not going to solve this just by applying it to corn just in the commercial area. Just like this corn referendum ballot that was put out the last time. It was quite confusing. The gentleman said a few minutes ago, and the gentleman from Minnesota, the author of the amendment, said that the support price

would have been from 75 to 90 percent under this 51 million acres on this corn referendum ballot last fall. But the people were very confused. They were afraid. Why were they afraid? Because the explanation on the ballot did not say that the support price would be from 75 to 90 percent of parity. It did say in explaining the second proposition that price supports would be on the level of from 75 to 90. From 75 to 90 when? If it was reduced to 37,288,000 acres, but it did not say it would apply if we took the 51 million acres. That is why the people were afraid last fall.

I do not care to say anything further about it. I think we can vote on this amendment now and determine whether we want to make this an emergency program for 1 year or whether you want to let it go for 3 years and lose the interest of the people who are not concerned in going ahead and solving the whole problem.

(Mr. JONES of Missouri asked and was granted permission to revise and extend his remarks.)

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. HOEVEN. Mr. Chairman, I rise in opposition to the amendment proposed by the gentleman from Missouri.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

Mr. HOEVEN. Mr. Chairman, the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has properly stated the reason for the 3-year period. I think it would be a mistake to adopt the amendment offered by the gentleman from Missouri [Mr. JONES]. The purpose of the 3-year period is to make it conform to the life of the soil bank. I think it is high time that we get away from piecemeal legislation and at least attempt to write some long-term legislation.

We are all interested in the soil bank and in making it work. I think it has been fairly stated that in the year 1956 the soil bank did not have a fair chance to work. Soil-bank legislation was enacted at a very late date last year, which made it impossible for many States in the South to get into the program before the growing season arrived.

In the Corn Belt we had a very unusual situation, as you all know. Somebody has said something about wasting \$179 million on corn soil-bank payments last year. Seven and a half of my twelve counties were in the drought area last year. It never was anticipated that the soil-bank program should become a crop insurance program or a relief program, but really the \$179 million was spent for a good purpose, in that it kept a lot of farmers from going bankrupt at that time.

Now, let us get down to brass tacks as to the cost of H. R. 4901. I received a report from the Department of Agriculture this morning showing that the potential cost of the Cooley bill relating to corn and feed grains would be \$996 million. The commodity allotment in the bill for corn would be 43.2 million acres. Under section 2, the allotment times 18 would be 7.8 million acres. At the esti-

mated payment rate per acre the average would be \$42.66 for corn, or a total of \$333 million.

Now, as to cotton, the commodity allotment would be 17.6 million acres.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. HOEVEN. Not at this time.

The allotment times 18 percent at an average estimated payment per acre of \$26 would cost \$83 million.

On wheat the commodity allotment would be 55 million acres. The allotment under section 2 would be 9.9 millions, at an estimated payment rate per acre of \$26, or a total of \$257 million.

Further, in the case of peanuts and rice the commodity allotment would be 3.3 million acres, the allotment times 18 percent would be 0.6 percent. The estimated payment rate per acre would be \$26, and the total cost would be \$16 million.

In the case of tobacco 1.5 million acres would be under the commodity allotment times 18 percent would be 0.27 at an estimated payment rate per acre of \$26, making a total cost of \$7 million.

This makes a total maximum cost of \$696 million for H. R. 4901.

To this amount should be added the maximum provided in section 3 of the bill for feed grains at a cost of \$300 million.

This makes a grand potential total of \$996 million covering the cost of the bill.

In addition to that we must also add the administrative costs which have been fairly estimated at some \$35 million. This would make the total cost of H. R. 4901 well in excess of a billion-dollar figure.

I hear a lot of talk about economy and I am sure Members on both sides of the aisle are hearing from the folks back home. If you vote for the Andresen amendment, if for no other reason than that of economy, that is exactly what you should do.

Again let me remind you that the Cooley bill will cost \$996 million in addition to administrative costs.

Under the Andresen bill, H. R. 3011, no additional funds are authorized. Any payments earned by corn producers would be part of the \$750 million already authorized for the average agricultural reserve program.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(By unanimous consent Mr. HOEVEN was allowed to proceed for 2 additional minutes.)

Mr. HOEVEN. The proportionate share of the budget for corn for the 1957 agricultural reserve program under the Andresen bill is \$217,500,000.

So in the last analysis, regardless of the merits of the two bills, if you are really interested in economy you will vote for the Andresen substitute. It is the best and the most economical course you can take.

The rollcall vote on the Andresen substitute will show whether you are willing to save the taxpayers of the country almost a billion dollars.

Mr. COOLEY. Mr. Chairman, I want to be heard briefly on the amendment and will not take 5 minutes.

It seems to me this amendment will really test the sincerity of the Members of this House who have said that this was an emergency situation and that they would be perfectly willing to sit down with the other members of the committee interested primarily in other commodities and to work out a long-range program. You are taking this emergency and writing legislation that goes on for 3 years under the pretext that it is an essential part of the soil-bank program. Your Secretary of Agriculture has never suggested that this is an essential part of the soil-bank program. You have the proposition before you now in the Andresen bill. I am frank to say I have no figures about the cost of either one of these programs except the best information we could obtain and that is in the report. You do not know what the Andresen bill is going to cost. Why not adopt the amendment offered by the gentleman from Missouri [Mr. JONES] fixing it for 1 year? We will be in session when the year expires and if it is a good program, if it is an essential program, we can continue it. Here you are proposing by the Andresen bill to adopt an emergency program for 3 years.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. Did we not fix minimum acreages for wheat and cotton on the basis of an emergency situation and, also at that time, not knowing just how much it ultimately might cost?

Mr. COOLEY. But it was for 1 year.

Mr. HALLECK. In other words, if we had not extended the minimum acreage for cotton to 3 years, then you would have to be in here this year for legislation because the acreage on cotton would drop from 17.6 million acres to 3.9 million acres and the cotton agriculture could not live.

Mr. COOLEY. When you talk about wheat and cotton, we had it on an emergency basis for 1 year at a time. Then later on we continued it. We knew something about the cost, but here you are jumping in with the Andresen bill and you have no idea what the cost is going to be and you do not know what the participation is going to be.

Mr. HALLECK. Under existing law you do not need further legislation dealing with cotton and wheat?

Mr. COOLEY. No, that is not so. I have introduced a bill today. I do not know how far it will go after this fight, but I introduced a bill today on that subject.

Mr. MORANO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Connecticut.

Mr. MORANO. Will the gentleman accept the Andresen bill if the Jones amendment carries?

Mr. COOLEY. No; I am not going to accept the Andresen amendment because I think we have other provisions in our bill that are beneficial and vital.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Illinois.

Mr. ARENDS. The gentleman made the statement that he had no knowledge as to what the Andresen bill might cost. I have before me a statement, and I think it is as sound as it can be, to the effect that H. R. 3011 will involve no additional funds being authorized.

Mr. COOLEY. It is not a question of whether it is authorized or not. The additional price support obligation would come out of CCC funds which are already authorized. The losses would simply be made up by appropriation after they have been incurred.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Under the Andresen bill they would pay the money out of the Commodity Credit Corporation, then we would have to appropriate the money to the Commodity Credit Corporation. Really, when you get to costs all of the figures given here are figures you pay out of the soil bank. The real cost is how much of this corn will end up in the hands of the Government and the Government cannot use it or get rid of it. Your costs cannot be figured on how much you pay out in soil bank funds. If you let the rest of the country supply the feed so that there is no market for corn, the whole investment is caught. When you get to arguing about these costs, do not look at the soil bank payments. Look to how much money is going to be put into corn. Are you going to have it where you can get the corn out or are you going to allow the other feeds to take the market and hold on to the corn?

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I would like to ask the distinguished gentleman from Mississippi who handles the Agricultural Department appropriation bill if there is a limitation placed upon the amount of money that the Commodity Credit Corporation can use for soil bank purposes? Is it not \$200 million?

Mr. WHITTEN. There is a limit on the soil-bank payments. When you limit this to discussing the money you pay out from the soil bank, you are playing around with the fringes. The real problem is how much money you are going to invest in corn and what you are going to do with the corn when you get it. If you let the other grains take up the usable market, you can wind up by having the corn in the hands of the Government and your figures become insignificant when compared to the overall.

Mr. ARENDS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, let me say to my good friend from Mississippi that is exactly what we are trying to avoid this afternoon. We are trying to avoid the Government piling up corn in bins and the Federal Government having to spend large sums of money for its storage. And I believe the legislation we propose is the best solution to the whole problem, if you will just lend us your support.

Mr. WHITTEN. I do not question his desire or his intention to reach the place he is trying to go. It is my judgment, having worked with it all these years, that he is going exactly in the wrong direction.

Mr. ARENDS. That may be, but there is the question whether we can even legislate to solve a problem like the farm problem when there are so many complications and contingencies involved. March 8 is the last day the farmers of my district have to sign up in the old program as provided in the referendum, or whether they can expect this Congress to provide them with the help so urgently needed. Tomorrow is the last day. Our farmers are concerned and anxious reading the newspapers, or sitting listening to their television or radio, wanting to know whether they can get into a program that will eventually bring about some relief in the corn situation. We can provide this relief for the corn farmer, give him some assurance for the future, by adopting the Andresen amendment. Having done that I shall certainly support our considering whatever may be necessary for the small-feed business. But tomorrow is the date I am talking about. It is when the corn farmer must go in and sign whether or not he wants to go into the agriculture program as it presently exists, and that is the situation we are in at the present time.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from North Carolina.

Mr. COOLEY. I just want to say that the Secretary fixed that date, March 8, and he can change it to the 18th by just one executive order, and it is not going to affect the situation at all. The main thing I wanted to say was that I agree with the observation the gentleman made earlier this afternoon, that if we cut out a lot of these political speeches and not talk about collateral things and start voting, we can bring out this legislation in a very short time.

Mr. ARENDS. That is what I have been trying to do. I regret that this matter has become so completely political.

Mr. FULTON. What about the city guys?

Mr. ARENDS. It is a matter of history that the depressions that have occurred in this country have first been occasioned by the fact that there was a sharp decline in farm income. That is a historic fact. What is going to happen? Unless we enact corrective legislation now we are going to have more corn than we can possibly use. It will result in our having cheaper and cheaper feed, and as a consequence of cheaper feed we will have cheaper and cheaper livestock. All this will make the purchasing power of the individual farmer go down and down. We must not let that occur. It is not important to every man and woman in this country whether he lives in the city or on a farm. It is as important to you who represent city districts as it is to me representing a farming area. I am not talking about dollars and cents simply for the farmer. I am talking about a fundamental prob-

lem that affects the entire country. It is basic. So we ought to do something about it this afternoon.

Mr. FULTON. Actually I was going to ask a question about history, because when I hear across party lines that we helped with these various programs, that we on cotton helped you on tobacco and we on tobacco helped you on rice and we on rice helped you on wheat, that is all across party lines or it is logrolling that has not been explained on the floor of this House. How do I get a history of the logrolling that has brought this bill out, because I even heard today somebody say that one bill came out of the great Agriculture Committee to save somebody's political neck. I thought I was voting for some industry. Now, where can I get that history?

Mr. ARENDS. You will probably have to put your research department to work on it.

Mr. FULTON. That is surprising.

Mr. ARENDS. I am sorry we have had so much political difficulty yesterday and this afternoon, but the fact remains, if I may answer the question, that corn has not been afforded the same treatment that either cotton, tobacco, or wheat has been afforded in the past 22 years. I have been here to watch the legislation and support it. Basically I am interested in the welfare of agriculture regardless of the commodity involved.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ARENDS. Mr. Chairman, I ask unanimous consent that I may be allowed to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. MASON. Reserving the right to object, Mr. Chairman, I am simply doing this to serve notice on this House that from this time forward until we vote on this bill there will be no more extensions of time and no more giving of time to someone else.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois?

Mr. H. CARL ANDERSEN. Mr. Chairman, in that case I will have to object, if the gentleman from Illinois [Mr. MASON] holds to his line of thinking.

Mr. MASON. I shall hold to my line of thinking and the gentleman may object all he pleases.

Mr. H. CARL ANDERSEN. Mr. Chairman, if I cannot have more than 5 minutes on my very important amendment, I shall regretfully have to object to an extension of time for the gentleman from Illinois.

Mr. ARENDS. I thank the gentleman from Minnesota.

(Mr. WOLVERTON asked and was given permission to extend his remarks at this point in the Record.)

Mr. WOLVERTON. Mr. Chairman, the legislation now before the House is announced as a program to help the commercial corn farmers. The Cooley bill reported to the House by the Agricultural Committee seeks to extend aid not

only to the commercial corn growers, which was the original intention, of the proposed legislation, but also to the cotton, tobacco, wheat, peanut, and also to 1 or 2 more classes of farmers, engaged in growing what has been termed basic crops.

There is no doubt that there is need to do something in a legislative way to improve the condition of the corn growers in the central and Midwest section of our country. This is admitted on both sides of the aisle, Democrats and Republicans. It is this situation that the so-called Andresen bill, representing the Republican viewpoint, seeks to accomplish. However, the Cooley bill, representing the viewpoint of the Democratic members of the House Agriculture Committee, seeks to attach all the other crops I have mentioned, although it is the general opinion that no emergency exists with respect to any of them, and, consequently, no need for additional legislation to improve their condition. Existing law is taking good care of them. Thus, it seems that the southern growers are trying to take advantage of the present emergency affecting the corn growers of the Midwest, to attach their crops to the legislation in a way to gain for them additional benefits under the support programs now existing.

This would, I am informed on good authority, and nearly a billion dollars to the present budget. There is need to cut down our Government expenditures. Certainly, there is no reason or justification to increase the budget by adding additional and substantial benefits to the growers of cotton, tobacco, peanuts, and so forth, that have not been shown to be in need of such additional price-support moneys.

I also wish to take advantage of this opportunity to express the need for some remedial legislation to help the dire straits in which our poultry farmers of the East find themselves at this time. I have taken this matter up with a representative of the Agriculture Department, and, I am informed that the Department has already given consideration to the matter and is now giving further attention to it, and does intend to take some additional steps, to what have already been taken, that the situation affecting the poultry farmers may be improved.

It is unfortunate that all too often the Agricultural Committees of the Congress neglect to consider the plight of our eastern farmers. It is time that some attention was given to them and their needs.

[Mr. ANFUSO addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. McINTIRE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this debate has been going on the better part of 2 days, and this is the first time I have taken the floor. I do appreciate the opportunity to express a few thoughts in relation to this legislation.

First, may I say that I have served on the Committee on Agriculture for 6 years, and no more pleasant assignment have I ever had in my life. I begin committee meeting tomorrow morning at 9:30 working on some legis-

lation just as objectively and constructively as I can, because I have a deep interest in the problems of the American farmer and the manner in which those problems are related, not only to Government, but also to the consumers and every single person of this country.

I have worked on this piece of legislation in the same spirit. The fact that I have not offered compromises or amendments is not in any sense to be stiff-necked or dogmatic about the position which I have taken on this legislation. It comes solely from the fact that we are dealing here primarily with corn on the one hand and the whole gamut of the feed grain picture on the other.

In the face of the circumstances, and it is now March of 1957, and the problem is that of laying the plans for spring operations, I sincerely believe, in spite of the fact that there are some aspects of this bill which I should like to support, that the timing of that support is not right now.

The same thing relates to the amendment offered by Mr. JONES. I am basically interested and shall continue to be interested in working on farm legislation not on an annual basis even if I approach it legislatively somewhat part by part, it will be put on a basis of where perhaps we can leave some parts of it alone until we can see how it will work while we are making the necessary corrections in other portions of our legislation.

If we accept the Jones amendment, we will just simply be putting it on a 1-year basis. If corn is put on a 3-year basis, producers can be going along and the corn farmer will know what his plans have to be, and we can work on the framework of the rest of the legislation.

I am opposed to the Jones amendment because it does not fit in with my concept of the responsibility of our Committee on Agriculture on both sides of the aisle to deal with farm problems objectively and carefully and deal with those problems in ample time to provide effective administration.

The feed grain problem is one with which we should deal. The soil bank legislation also needs revision. It needs to be reexamined in the light of making it applicable across the board on a conservation basis and not on an acreage reserve basis, commodity by commodity. But, we cannot start dealing with these problems at the time when the farmer has his machinery oiled up and ready to go into the fields. I have come to the conclusion that we should not deal with corn separately for 1957. Put it on a 3-year basis in order that the corn farmer can have a program laid out before him. Then, the committee can look at all the programs for agriculture, including the soil bank and try to deal with them as constructively as possible and in advance of their application administratively. We know the problems of administration in these matters. It takes a long time to get the records established so that the farmer knows just what he is doing. I urge you to defeat the Jones amendment. I urge your support of the Andresen amendment because, in my opinion, it is con-

structive in an approach to objective scheduling of sound legislation for the American farm.

Mr. COAD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, as I come to the well of the House today, I do so to make my first public statement before this body. I come speaking in behalf of the people of one of the greatest agricultural districts in all the world, and not only of this Nation. Corn is not only our most valuable and abundant crop, but it is the wealth and the very life of the people of the Sixth District of Iowa. The problems faced by the Iowa corn farmers are most serious and demand immediate attention. Yesterday it was announced that parity for corn is 66 percent. In Iowa, however, it stands at the present moment at 62.9 percent of parity. In the last 5 years, across this Nation, we have lost 10 percent of our American farmers. This situation is far from that golden promise that we heard at Kasson, Minn., 5 years ago. We are a far cry from 100 percent of parity in the marketplace, and we are not protecting the family-size farm with the kind of program we have at this time. We can see as we look at the year 1955 alone that the State of Iowa lost \$1 billion of income because of low prices. Because the farmers lost \$1 billion of income in Iowa, our retailers lost \$700 million in retail trade. This condition was not brought about by the inefficiency of our farmers. We have efficient farmers in Iowa. We have no submarginal lands in the Sixth District of Iowa. We have no submarginal farmers. The only thing we do have that is submarginal with our farmers is that our farmers have submarginal bank accounts. So far as I have been able to determine, I am the only one who has stood up in the well of the House of Representatives who comes from the Democratic side of the aisle as a representative of a corn district speaking in support of the Cooley bill. That I do. I hold in my hand, Mr. Chairman, some correspondence, which I would like to call to the attention of the Members. The correspondence is as follows:

REPUBLICAN STATE CENTRAL
COMMITTEE OF IOWA,

Hampton, Iowa, February 7, 1957.

Congressman MERWIN COAD,
House Office Building,
Washington, D. C.

DEAR MR. COAD: Enclosed you will find a copy of a newly proposed plan to raise farm income with an improved soil bank. The authors are four Franklin County dirt farmers who are looking for no personal recognition but are devotedly concerned with finding a long-range, nonpartisan, nonorganizational plan which would provide the Nation's farmers with a fair share of the national income.

These men are eager to present their plan to you officials in Washington, verbally and in person, because they realize that you will have many questions about details of it, which could not be included in the printed outline. Their plan is comprehensive, but they necessarily kept the outline brief for easy reading and simple presentation. Those of us who have studied it feel that it is a sound and workable plan.

We hope that you Iowa Congressmen can arrange to see and hear them, and to have them appear before the Senate and House

Agriculture Committees, and representatives from the Department of Agriculture.

Though the men are amateur writers and speakers, they are experienced, high-caliber farmers from old respected families in Franklin County: Lawrence Hamilton, James Jorgenson, and James Jorgenson, Jr., Hampton, and Elmer Stockdale, Iowa Falls. They are willing to stand their own expenses for the trip to Washington.

In trying to remove all the bugs from the plan, these farmers have consulted with economists from Iowa State College, local farm leaders from 10 surrounding counties, representatives of 4 farm organizations, as well as Marvin McClain and Dwight Meyer of the Department of Agriculture. Our Franklin County extension director, Mr. Pearl Kelsey, has also been very helpful.

I have talked with Senator HICKENLOOPER and Congressman GROSS relative to setting up an appropriate and logical time when these men may present their ideas to you officials in Washington, in person, verbally, and answer any questions which you may have regarding the plan. I am sure you can be helpful in arranging for this, and that you will appreciate getting their grassroots ideas.

Sincerely,

Mrs. ENID ROBINSON,
Republican State Vice Chairman.

HOUSE OF REPRESENTATIVES,
Washington, D. C., February 12, 1957.
Mrs. ENID ROBINSON,
Republican State Vice Chairman, Republican State Central Committee of Iowa, Des Moines, Iowa.

DEAR MRS. ROBINSON: I am in receipt of your letter of February 7, 1957, along with the enclosed booklet entitled, "A Plan To Raise Farm Income," and I wish to express my appreciation to you for it.

As for myself, I would be most happy to meet with these farmers, to discuss the plan with them, and am looking forward to that date when such arrangements can be made.

Most cordially yours,

MERWIN COAD,
Member of Congress.

REPUBLICAN STATE CENTRAL
COMMITTEE OF IOWA,
Des Moines, Iowa, February 28, 1957.
Hon. MERVIN COAD,
House Office Building,
Washington, D. C.

DEAR MR. COAD: Mr. Elmer Stockdale, one of the authors of the proposed new plan to raise farm income through a representative soil bank, about which I wrote you recently, telephoned me this morning to tell me that he and his three coworkers have been scheduled to appear before the Senate Agricultural Committee in Washington, D. C., on Monday, March 4, at 10 a. m. in room 324 of the Senate Office Building. Mr. Stockdale will be the chief spokesman for the group.

I understand that these men had an opportunity to visit with Senator AIKEN in Des Moines at the time of the recent Farm Institute. Senator AIKEN was apparently impressed with the merits of their ideas, and arranged through Senator ELLENDER for them to get this hearing.

I am sure you Iowa Congressmen will want to meet these Franklin County farmers and hear from them, first hand, what their suggestions are. They plan to fly to Washington on Sunday; their plane and hotel reservations are unconfirmed as of now, but I will advise Senator HICKENLOOPER and Congressman GROSS of their plans as soon as I learn them.

With kind regards, I am,
Sincerely yours,

ENID ROBINSON.

IOWA FALLS, IOWA, March 6, 1957.

DEAR CONGRESSMAN COAD: On thinking back about your reactions to the Farm Bureau reaction and objections to the Poage bill, I thought that perhaps you'd have been interested to know that our feed grain approach was presented to our Franklin County, Iowa, Farm Bureau county board and legislative committee.

After we left the meeting they voted unanimously to recommend our plan to the State Farm Bureau office.

We got started too late, but we thought you'd be interested in the actual reaction of good substantial farmers to our plan when they understand it.

Thank you.

Sincerely yours,

ELMER G. STOCKDALE.

The correspondence comes from officials of the Republican State Central Committee of the State of Iowa introducing to me four gentlemen who presently are in the galleries of this Hall. They have come to the city of Washington to place before the House of Representatives and before the other body their feed-grain problem and their solution to this problem. It comes from the grassroots of Iowa, the Corn State of the Nation. If, indeed, we have blood poisoning, Mr. Chairman, we do not treat the open sores which show on the surface. We treat the blood. We try to cure the trouble in the circulatory system. That is what we have to do today if we are going to control and to help solve this corn problem. We have to treat the whole circulatory system of all feed grains, if, indeed, we are ever going to arrive at an effective cure and solution.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COAD. I will not yield at this point.

I would like to make this very crystal clear, that as we come here today facing the realistic problem that faces the corn farmer, let us face it in its entirety. I have sought for 2 days to establish why gentlemen on the Republican side of the aisle and this administration will not face this feed-grain problem here and now. As far as I have been able to determine this is the one and sole reason. That it is simply the fact, as reported in yesterday's issue of the RECORD, that it is because of the possibility of a Presidential veto. But I am perfectly clear in my own mind. I believe I was elected to this great legislative body to attempt to effect the best legislation possible for the greatest number of persons.

My people did not send me here to set up a crystal ball to tell whether the President was going to veto any legislation. So, if there is a Presidential veto, it is not to be my responsibility. I will be held responsible for my stand and my vote on behalf of the best interests of all the people I represent. So I call upon you on both sides of the aisle to stand up and face the problem at its root source and stand up and face it now.

The CHAIRMAN. The time of the gentleman from Iowa [Mr. COAD] has expired.

Mr. WHITTEN. Mr. Chairman; I rise in support of the amendment.

Mr. Chairman, I rise in support of the Jones amendment which would limit this bill, the Andresen amendment, to 1 year, and I will tell you why. Our committee has to listen each year to the requests for money to finance all these farm problems. We have the job of selling the Congress on the impairment of the Commodity Credit Corporation. We do work in detail with these programs. Time has proven 2 or 3 serious defects in the original law. One of them is this: You cannot control production by limiting acreage. It is an invitation to every farmer to use more fertilizer and to more exhaustively work the acreage that he has left, and he usually ends up with just as much production with less acreage, and in the process, under the law, he gets still less acres the following year.

Next, the acreage reserve section of soil bank is geared up to the same falacious belief that we have in the basic law, that by paying the farmers to take acreage out we will reduce production.

You will recall that for 10 years every time we had a soil-conservation program under consideration in this House I was faced by a terrific fight from my Republican friends on the left side of this aisle, saying that the soil-conservation program, where the farmer put up two-thirds of the price, was a giveaway, and we were giving the farmer something for nothing. That program was a piker compared to this soil bank acreage reserve program. My committee is having an investigation now of the acreage reserve in the soil bank. I wish it were completed so I could give you the figures, but may I say I am not differing with the views of my friends who introduced the soil-conservation section of the soil bank. I am talking about the acreage reserve bill as it is and as it is administered. Last fall money was thrown around recklessly in areas where it did not reduce production one bit. Not only that, but I am advised the Department now is agreeing to pay out money on land that will not produce. The present indications are that in certain States people in the cities are going out and buying farms to rent them to the Department and will use the payments received to pay for them. If there is anything that will smear up the farm program it is this acreage-reserve payments in soil-bank program. In other sections we rent land and pay the farmer not to put such land in spring wheat, then he grows winter wheat.

Already, the effects are being felt in every town and village in farm areas. It will be felt in our cities. In future years it will embarrass every effort at sound farm programs.

I am interested in the permanent welfare of agriculture, and I oppose this 1-year panacea of paying the farmer for nothing, which will cost the farmer plenty in the long run. We have delayed the hearings of our committee until our investigators can come back and tell the sordid story, and that is what it is. It does not reach the point of reducing production; it is not going in the direction

that the Members of the House had intended that it go; it is being used to take up the slack in farm income that has occurred during 4 years under Secretary Benson, and just goes to prove the point that reducing price supports does not reduce production.

We had Secretary Benson before our committee, and I listened to him from 10 o'clock in the morning until 6:15 in the evening about a week ago. His views that lowering price supports would reduce production and help the consumer just do not stand up. That is what the record shows. He has reduced price supports about 20 percent. Our farm income has gone down about 20 percent, yet he has not reduced the price to the consumer. He could not show an instance where the lower price to the producer resulted either in decreased production or increased consumption, and I am speaking, of course, of our domestic situation.

Last spring, with an election coming on, they realized that there was a real depression in agriculture. Nearly everybody, of course, joined in the effort to get something into the hands of the farmers. Now we are in another year and the election is over, and the causes, I will not say merits, that may have existed last spring for giving the farmer something, do not exist at this time. We need now to get down and attempt to meet the basic defects in our laws.

What do we see happening as the farmer reduces his acreage? He takes his money and buys irrigation equipment, other farm equipment, fertilizers, and grows more on the reduced acreage than he did on his previous acreage.

As for the Andresen amendment and the regulation of production in commercial areas, for years we regulated our own production only to find out that the rest of the world was increasing theirs. They were getting the markets, and we were paying storage.

Mr. Chairman, if you regulate the commercial corn areas of this country and if the rest of the country, yes, including my State, is not regulated, they will increase their production; they will have the market, and the Government will take commercial corn and store it, and corn sections will go down as the rest of the country goes up in feed production.

I think, in all sincerity, when you study the situation you will want to treat corn on a national basis.

Mr. REED. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would not take the floor but I have a few thoughts struggling for utterance. I do not live in a Corn Belt. I am interested, however, in helping the corn farmer as I have always tried to help all farmers, because farmers are the backbone of our economy and of our country; they are a stabilizing influence. The farmers up in my district and throughout New York State and Pennsylvania are not corporation farmers; they are small farmers with a small acreage, and their principal products are poultry, dairy products, fruits, and small vegetables.

But there is a law on the books, as you know, that limits the production of cer-

tain grains, and our farmers who are not in the commercial field as corn producers. They raise grain to feed animals and poultry on their farms. I am referring not to corn but to wheat.

Our farmers find this situation. They have their grain locked up. A Government inspector comes along to inspect the storage of wheat locked up and tested. They have to get out their trucks and go through heavy snowstorms when the snow may be 4, 5, or 6 feet deep, drive in some cases from 10 to 15 miles to get the feed to bring back to the farm to feed their poultry and livestock. They have raised the wheat on the farm to feed to their cattle and poultry but they are limited in production. Then what happens? These law-abiding citizens, and they are substantial, God-fearing people, they are the backbone of the country the same as the corn farmers. My farmers cannot get any relief from this sort of Russian law here that makes criminals out of them if they feed their own feed to their own cattle on their own farms. I say it is all wrong. It is time we had some relief. The Committee on Agriculture is one I respect very highly. I tried my best to get some relief from the Agriculture Committee but I have been turned down. Members of my State have gone before the committee trying to get this relief. That is true not only of New York but Pennsylvania and practically all of the New England States. If we are going to relieve farmers, why not take this tyrannical law off their backs and not make criminals out of them? Some of them have been indicted, and in some cases they have been fined \$400 or \$500 for raising grain on their own farms to feed their own stock and poultry.

Mr. Chairman, I hope that the Committee on Agriculture will take notice of this when they ask us to vote for corn relief. I want them to take some action for the farmers in the eastern part of the United States.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I may say that the penalty to which the gentleman is referring was included in the act of 1938 which the gentleman opposed at that time, as I recollect.

Mr. REED. That is right.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from New York.

Mr. KEATING. I find myself in exactly the same position as does the gentleman from New York. There are many fine farmers in my district, some of whom have written to me opposing this penalty because they feed this grain to their own poultry on their own farms. They use it right there. It strikes them, as it strikes me, that is not the kind of law we ought to have on our statute books. I have been endeavoring to get it changed, as have many other Members, to relieve the situation.

Mr. REED. I think that is true in New York and Pennsylvania. We need this relief and we ought to have it.

Mr. Chairman, I want to address myself to another subject. Many of you people live in that part of the country where you very seldom get snow storms. It is not uncommon up our way to have snow so deep you can hardly get through. I remember that when the trolley was running on the main street in my own city, there were times of the year when there were terrific snow storms, all we could see when the snow was shoved out was the top of the trolley pole as the street car passed. The farmers have to battle through that snow. Ice forms and there are difficulties of that character which my farmers face in trying to get feed for their poultry and livestock.

If we are going to help the farmers, let us help all of the farmers and not make criminals out of them when they are not doing a thing in the world but trying to live on a small farm from the products they raise, to feed their poultry and small herds of cattle and livestock.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I heartily concur in what the gentleman says. Last year when this matter was before the House, it was brought forcibly to the attention of the Committee on Agriculture. That committee assured us at that time, as I recall it, that it was going to do something about giving relief to the small farmers, extending the acreage to permit him to grow that which he used on his own farm and not for commercial purposes. But still nothing has been done about the matter.

Mr. MORRIS. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. MORRIS asked and was given permission to revise and extend his remarks.)

Mr. MORRIS. Mr. Chairman, I would like to approach this debate from a little different angle than any, I believe, that has been mentioned up to this time. I am indebted to my distinguished friend, the gentleman from Missouri [Mr. CHRISTOPHER] for these particular figures that I shall first use here. I am sure they are accurate. Here are the figures I refer to.

In 1952 the population of the United States, this great beloved Nation of ours, was 155.5 million; the farm population was 24.1 million. In 1956 the population of the United States was 169.9 million; farm population 22.5 million. Total population of the United States was up 14.4 million; farm population went down 1.5 million.

Mr. Chairman, there is a reason for that and I will give you this reason if you will listen to me for just a moment. This is a tragic thing that is going on here in our great country. Listen to the figures and give them such consideration as you think they are worthy to receive.

Now as to these other figures I wish to present. Here is a United Press report of very recent date. The date is February 13, 1957. Listen to these figures: "The average American farmer could not pay his bills without extra income from an outside job, an Agricul-

ture Department survey indicated Tuesday. The survey shows that farm spending on family living items such as food, clothing, and shelter averaged \$3,309 per family in 1955. The Department records show that the net cash farm income for the average farmer in 1955, plus an allowance for the rental value of his home, was \$1,928, which was less than 60 percent of the family living expenses. The gap between farm income and living expenses was covered largely by farmers' earnings on part- or full-time jobs in business and industry, Agriculture Department economists said." Then the article quotes other figures that I will not bother you with at this time. So, it is in fact a report of the Department of Agriculture that the farming industry of this country as we have always known it is not just being depressed; it is being liquidated. And unless this Congress does something more than it has done for the farmer, in some manner, we are going to find ourselves here in America in a very deplorable condition.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I have great respect for my distinguished friend, but I would like to complete my statement before I yield. Now, let me go just a little bit further on that. I have other figures, and I will put them in the RECORD just as soon as I can compile them. But, my understanding at this time is—now, get this—that last year the tariff in this Nation was over \$700 million. You are talking about the cost of the committee bill, the Cooley bill. I repeat, the tariff in this country last year was over \$700 million. According to the information I have—and I will try to get the exact figures—since George Washington's time the tariff has cost us billions upon billions of dollars, my friends, and, of course, the tariff is a subsidy. And I am not opposed to that. I want to see the manufacturers in the East protected in every reasonable way. I want to see you in the great Corn Belt protected, too. I try to entertain a national view the very best that I can, and I want to see you gentlemen protected. But this bill protects you. It does not hurt you, and you should not want to hurt us in other sections of the country. You ought to go along with us and support this bill.

Now, let me go just a little bit further, my friends—

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. MORRIS. I regret my time is so short, and the distinguished gentleman from Illinois suggests that he is not going to permit extensions of time, and therefore I would like to use this time if I may.

Now, let us go a little further. The airlines have their subsidies. The slick magazines, using the postal service, have their subsidies.

Mr. HOFFMAN. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN. I asked the gentleman to yield a moment ago, which he did not, but I do object to calling us over here his friends.

Mr. MORRIS. Well, if he objects, I will strike that as far as the gentleman individually is concerned. But, I thought he was my friend. I love you as a friend whether you love me as a friend or not.

Mr. HOFFMAN. Mr. Chairman, another point of order. I object to referring to me in that manner. It is out of order. Now, I am his friend, and I shall continue to be, because I do not believe in everything he says.

Mr. MORRIS. Well, that is, of course, mutual. I do not believe in everything the gentleman says, by a jugful. But I still am your friend, and I hope you are my friend, and I regret that any partisan matter has entered into this.

Mr. Chairman, we have billions upon billions of dollars of subsidies in this Nation. Subsidies have been going on since our Nation started. But, the thing is this: When you go to subsidize the farming industry, which is the basic industry of all industries, then you holler that that is socialism or you holler that that is going to bankrupt us.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Missouri [Mr. JONES].

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 115, noes 148.

Mr. JONES of Missouri. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. JONES of Missouri and Mr. AUGUST H. ANDRESEN.

The Committee again divided, and the tellers reported that there were—ayes 144, noes 167.

So the amendment to the amendment was rejected.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment.

Mr. COOLEY. Mr. Chairman, before the Chair recognizes the gentleman from Minnesota, I would like to see if we cannot agree on closing debate on the Andresen amendment and all amendments thereto.

Mr. BASS of Tennessee. Mr. Chairman, I have an amendment to the Andresen amendment that is at the Clerk's desk.

Mr. COOLEY. Suppose we close debate in 15 minutes. That would give the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] and the gentleman from Tennessee [Mr. BASS] time to speak on their amendments.

Mr. HARVEY. Mr. Chairman, reserving the right to object, I am a member of the committee and I have been seeking recognition, but have not had an opportunity to speak.

Mr. COOLEY. Certainly, it is not my intention to cut anyone off from speaking.

Mr. Chairman, I ask unanimous consent that all debate on the Andresen amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair would like to read the names of those who were

standing at the time the request was made. If other Members were standing at the time, their names will be added, but the names that the Chair has are Mr. HARVEY, of Indiana; Mr. BASS, of Tennessee; Mr. H. CARL ANDERSEN, of Minnesota.

Mr. BASS of Tennessee. Mr. Chairman, that will still give us 5 minutes on an amendment, if a Member has an amendment; will it not?

The CHAIRMAN. Yes; the Chair is trying to work that out so that you will have 5 minutes. Of course, under the 20-minute limitation of time, you would have that time and the committee would have 5 minutes in which to conclude debate.

Mr. COOLEY. Mr. Chairman, how many members does the Chair have listed?

The CHAIRMAN. Four and that includes the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY].

Mr. GROSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GROSS. Mr. Chairman, did the chairman of the committee reserve 5 minutes in his unanimous-consent request?

The CHAIRMAN. The gentleman from North Carolina would be entitled to that in his individual capacity.

Mr. COOLEY. I did not reserve the 5 minutes. I just happened to be standing. I did not make any such reservation in my request.

Mr. ROGERS of Texas. Mr. Chairman, I was standing at the time the request was made.

The CHAIRMAN. The Chair needs some enlightenment on the question of pending amendments to the Andresen amendment. Are there other amendments besides the one to be offered by the gentleman from Tennessee [Mr. BASS] and the gentleman from Minnesota [Mr. H. CARL ANDERSEN]?

Mr. McGOVERN. Mr. Chairman, I have an amendment at the Clerk's desk.

The CHAIRMAN. Is it to the Andresen amendment?

Mr. McGOVERN. Yes, Mr. Chairman.

Mr. BASS of Tennessee. Mr. Chairman, is that going to leave 5 minutes for discussion on each side of an amendment? If not, I will get a preferential motion right away.

Mr. HOFFMAN. I challenge the gentleman's right to a preferential motion unless he is against the bill.

Mr. BASS of Tennessee. Well, I will get against it. I will get against it.

Mr. COOLEY. Mr. Chairman, I will yield one of my minutes to the gentleman from Tennessee if I have any time.

Mr. HOFFMAN. Mr. Chairman, I send up a preferential motion which I have here.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN] in support of his amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer an amendment to the Andresen amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gen-

tleman from Minnesota [Mr. H. CARL ANDERSEN].

The Clerk read as follows:

*Amendment offered by Mr. H. CARL ANDERSEN to the amendment offered by Mr. AUGUST H. ANDRESEN: Add a new section at the end thereof to read as follows:

"Sec. 3. Section 114 of the Agricultural Act of 1956 is amended by deleting the words 'under this title' and substituting therefor the words 'under the acreage reserve program.'"

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I offer a preferential motion.

Mr. BASS of Tennessee. Mr. Chairman, I have a preferential motion pending at the desk.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. How many preferential motions are pending?

The CHAIRMAN. The Clerk will report the only preferential motion that can be entertained at this time.

The Chair recognizes the gentleman from Minnesota to offer his motion.

The Clerk read as follows:

Mr. H. CARL ANDERSEN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Minnesota is recognized for 5 minutes on his motion.

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. HARVEY. Mr. Chairman, I rise in opposition to the motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

Mr. Chairman, a great deal of information has been presented here this afternoon, but it seems to me as I evaluate the whole issue, the real fundamental and long-range objective is being missed. We are trying to bring production into balance with consumption. That applies not only to corn but to all commodities. It was the concept and the philosophy of the soil bank that we would not take the good acres out of production, that we are going to take the marginal acres out of production. That is what the Andresen bill will permit. I am not going into a long statistical analysis of this, but I want to say, and you have got to believe me, that that is what is going to happen if we follow the philosophy of the Andresen bill. For that reason, the bill, if we give it a chance to work, will accomplish that objective. We are at the fork of the road today. We are going in either one or two directions. In my humble judgment, if we follow the philosophy of the Andresen bill we are going to move in the direction of eventually taking controls off of agri-

culture. That is what I want for agriculture. I think we can get that if you will give it time. On the other hand, the Poage-Cooley bill has the objective of keeping agriculture permanently in the price support category. I do not want to go in that direction.

The CHAIRMAN. The question is on the preferential motion offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The motion was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

The question was taken; and on a division (demanded by Mr. H. CARL ANDERSEN) there were—ayes 133, noes 146.

Mr. H. CARL ANDERSEN. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. H. CARL ANDERSEN.

The committee again divided, and the tellers reported that there were—ayes 164, noes 159.

So the amendment was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Tennessee [Mr. BASS] to offer an amendment.

Mr. BASS of Tennessee. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BASS of Tennessee to the amendment offered by Mr. AUGUST H. ANDRESEN: Add the following new section:

"That section 103 (a) of the Soil Bank Act is amended by striking out the period at the end of the second sentence thereof and inserting 'Provided, however, That where pursuant to the operations of the acreage allotment and marketing quota provisions (except penalty provisions) of the Agricultural Adjustment Act of 1938, as amended, the farm acreage allotment of any crop referred to in sentence one of this subsection is smaller than the allotment for the same farm for the immediately preceding crop year, the amount of such reduction in acreage shall be eligible for inclusion in the acreage reserve.'"

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee to the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. BASS of Tennessee) there were—ayes 68, noes 129.

Mr. BASS of Tennessee. Mr. Chairman, I demand tellers.

Tellers were refused.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. McGOVERN].

Mr. McGOVERN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. McGOVERN to the amendment offered by Mr. AUGUST H. ANDRESEN of Minnesota: Add section 3 as follows:

"Sec. I (a) section 101 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection (g) as follows:

"(g) (1) Notwithstanding any other provision of law, the Secretary of Agriculture is authorized and directed to make available

through loans, purchases, payments, or other operations, price supports to cooperating producers of wheat, corn, cotton, tobacco, rice, peanuts, milk and butterfat, oats, rice, grain sorghum, barley, soybeans, flaxseed, hogs, lambs, cattle, calves, eggs and farm chickens, if producers have not disappointed marketing quotas or goals for such commodities, at a level not less than 90 percent of the parity price of the commodity.

"(2) Eligibility of any producer for price support under subsection (1) hereof shall be limited to proportional parts of total sales of all commodities not to exceed in value at the parity price of 14,000 bushels of corn or 10,000 bushels of wheat, whichever is greater."

"(b) Eligibility of any farmer to receive payments under the programs provided in the other sections of this act shall be limited to \$5,000 in any one year."

Mr. McGOVERN. Mr. Chairman, this amendment is offered for two reasons. It is offered in the first place because I think farmers are entitled to at least 90 percent of a fair return on their production.

It is offered, secondly, in the belief that Federal farm programs should be geared primarily to the family-size farm.

It should now be clear to all that the efforts to reduce farm surpluses by cutting prices below 90 percent of parity has failed. We have eliminated many small farmers, but the farm surplus has multiplied. Farm surpluses, as a matter of fact, have tripled since 1952.

Likewise, farm price-support losses have been 3 times as high for the period since 1952 as they were for the entire 20 previous years.

Furthermore, we have had no relief for consumers following the cutting of prices to farmers. The farmer, whose income has dropped 25 percent since 1952, might draw some consolation from the assurance that lower farm prices would give his city cousins some relief on the grocery bill. Instead the cost of living and the grocery bill are higher than ever before.

My amendment provides that farmers shall be assured that the returns on their commodities will not drop more than 10 percent below a fair price. This amendment is not offered in the interest of any one farm group, but applies to the whole range of farm production.

It limits such parity assurance, however, primarily to family-size farms. Eligibility of any producer for price support under the proposal shall be limited to commodities not to exceed in value at the parity price of 14,000 bushels of corn or 10,000 bushels of wheat, whichever is greater. In other words parity protection is afforded to that part of any individual's production which is under approximately \$25,000 gross sales.

It provides further that no farmer shall receive under the soil-bank provisions payments above \$5,000 in any one year. This provision is designed to prevent the soil bank from becoming a gigantic giveaway for big-investment operators and corporation-style farms.

Mr. Chairman, I urge the adoption of this family farm parity amendment.

Mr. COOLEY. Mr. Chairman, I yield to the lady from Minnesota.

Mrs. KNUTSON. Mr. Chairman, I rise in opposition to the Andresen

amendment; but I support the McGovern amendment and the Cooley bill.

Mr. Chairman, here is the situation as two farmers see it. Said one, "I hear you sold your pig." "Yep. Sold it this morning." "What did you get for it?" "Eight dollars," was the reply. "That doesn't sound like much," the first farmer commented. "What did it cost you to raise it?" "Paid \$3 for it and \$5 for its feed." "Didn't make much did you." "Nope," was the cheerful reply, "but I had its company all summer."

Mr. Chairman, I am saddened that the eastern city morning papers show so little understanding of the issues now under consideration by this House. I realize, of course, that this situation has been brought about by the veto threats and confusing arguments propounded by the backers of the pending substitute. However, the situation is that our opponents' charges against the committee bill have completely misled many reporters and many Members of this House, concerning both the provisions of the proposals we are discussing and even more important have taken attention away from the major point of this attempt to pass improved farm-income legislation.

My colleagues and I who brought the committee bill to this floor are not fully satisfied with it. But it was the most nearly adequate bill that could command a majority in the Agriculture Committee in the face of circumstances of unbending obdurate opposition of the backers of politically attractive partial panaceas.

The main issue before us, Mr. Chairman, is this: Are we going to act as responsible legislators to do something effective, and in the national interest, to help in 1957 to raise farm family income above the depression low levels, to which sliding scale price support policies pushed it in 1955 and 1956? If the bill we passed last year had not been vetoed there would be no need to be considering this emergency legislation now. If America's farmers had not been subjected to 4 long years of continuously lowering of protection levels and continually weakening of supply adjustment programs we would not now need to be considering emergency legislation for 1957. But the facts are, farm income is at a depression low. We have all read a lot about the farm depression of the 1920's, but how many of us remember that for only 1 year in the 1920's, was the farm price parity ratio as low as the figure the Department of Agriculture released only a few days ago? During the 1920's parity ratio averaged 15 percent higher than it is right now. How many of us have noticed that the income per person on farms from farming has dropped every year for the last 5 years?

Here are the figures: In 1952, income per person on farms from farming as reported by the statistical service of the United States Department of Agriculture was \$702; in 1953, \$665; in 1954, \$650; in 1955, \$606; in 1956, \$599.

This is a drop of one-seventh in 4 years. The income of farm people even in 1952 was plainly inadequate, non-farm per person income was nearly double that of the farm population. But

that is not the worst of it, while farm income has been dropping steadily and drastically from its already inadequate level, nonfarm incomes have been going up.

The per person income of the non-farm population rose from \$1,833 in 1952, to \$2,010 in 1956, almost a 10-percent rise. I happen to feel that even this increase in nonfarm incomes was not adequate progress from many groups; but the fact remains that farm-family income relative to incomes of other people has dropped by almost one-fourth.

Herein lies the major issue we are discussing in this debate. We are trying to do something within the framework of the general welfare that will halt and reverse this tragic drop in farm-family income. That is what we are trying to do. That is why this bill is before us for decision. That is why our Agriculture Committee started immediate action as soon as Congress was in session. That is why we tried so hard to draft a bill that everyone could agree on. Doing something to improve farm-family income is what we are supposed to be about. Let us keep our attention on the fundamental purposes rather than to be diverted into confused thinking.

There are a lot of things that Congress could do now to keep 1957 farm-family income from being as pitifully low as it will otherwise be. There are many proposals that in my opinion would be better than the committee bill. But I repeat we have brought to this House the most nearly adequate bill that could command a majority in the Committee and I support its passage without crippling amendments. Moreover, I shall support all amendments to further strengthen it. But again I say let us keep our attention on the fundamental issue: We are attempting to write legislation that will halt and reverse the tragic drop in farm-family income by means consistent with all other national interests.

The pending substitute amendment is not designed to make a major contribution to improving farm-family income across this Nation. It will not even contribute very much to the specific narrow purpose claimed for it by its proponents. Their only arguments for their substitute is that the committee bill will be vetoed and that the Committee bill will cost too much. Let us examine these charges.

In the first place the committee bill places a maximum limitation upon expenditures, it is clearly stated in section 4 of the bill. The proposed substitute does not contain a limitation on expenditures. But even more fundamental is this fact. Corn grown in the so-called commercial corn-producing areas is only a part, admittedly an important part of the total feed grain-livestock economy of this Nation. The substitute bill seeks to make the necessary market supply adjustments required to bring the feed grain-livestock economy back to economic health by requiring commercial area corn producers to make all of the adjustments, putting a top on the barrel but leaving the bottom open.

I submit that the approach incorporated in the substitute amendment

now pending can only turn out, first, to be more costly in the long run to the public generally and unfair to commercial corn producers; or second, it will be more costly than the committee bill and wreck economic ruin beginning in 1957 on all feed grain and livestock producers except commercial area corn producers and even for them beginning in 1958.

Why do I say this? Let us look at the provisions of the proposed Andresen substitute in relation to other provisions of law. The Andresen substitute would provide an inadequate level of price support to corn grown in the commercial area, the bottom of the sliding scale level provided by existing law. The Andresen amendment only gilds the lily in that regard. It does not in any way improve the price support level provided for corn or any other commodity.

Now what else does the Andresen substitute propose? It proposes a 12-percent cut in corn acreage in the commercial area; it provides for no cuts in the noncommercial corn area, and provides for no cuts in any other feed-grain acreage, other than that farmers might choose to put corn or feed-grain acres rather than artichokes, strawberries, or cantaloups into the unspecified 15 percent of tillable acres requirement. In other words, the only feed-grain supply adjustment of which we could be sure under the Andresen substitute, would be the first 12-percent cut in commercial corn acres, 58 million acres down to 51 million acres. I submit that this is not enough of a supply adjustment to prevent the mounting of huge costs to the Treasury of even the presently pitifully inadequate feed-grain support program, and a heavy downward pressure on the market prices and income. In addition, the Andresen amendment might require largely fruitless payment of up to \$45 per acre for approximately 7½ millions of acres taken out of the production, maybe of corn and feed grains, but not necessarily so. The Treasury would be spending a lot of taxpayers' money and not really help anyone. At the best we could expect, operation of the Andresen substitute bill would probably not reduce market supply of feed grains sufficiently to raise either the price of commercial corn or of any other feed grain above the already too low announced price-support levels. The commercial corn farmer who makes the cuts required by the Andresen substitute would not be gaining anything, he would get payments more or less equivalent to the net income he could have earned by producing whatever he agreed not to produce. Nobody would gain a thing, yet the Treasury would have paid out a lot of money. The 1956 fiasco would be repeated.

The committee bill on the other hand is written as a serious solution to the complete problem of needed supply adjustments in the entire feed grain-livestock economy. It requires that non-commercial corn producers, and producers of sorghum grain, oats, barley, rye, flaxseed and soybeans all, in addition to the commercial corn producer, make an uncompensated 15-20 percent cut in feed grain acreage. This

would be a voluntary contribution on the part of these farmers if they wanted to participate in the farm income protection programs. Obtaining this cut of approximately 15-20 percent or one-fifth in feed grain planted acreage would not cost the Federal Treasury one single red cent. Yet obtaining an adjustment of that extent would take a real bite into the fundamental supply adjustment problem. In addition, the committee bill would require cooperators to take additional cuts in feed grain acreage of approximately 15 percent, for which they would receive acreage reserve payments at the corn or feed grain rate per acre. These payments would not be a net addition to farm family income but would replace the net income equivalent of lost gross income from not using those acres for commercial production.

In total the committee bill could result in a more than one-fourth cut in the planted acres of all feed grains, and since the committee bill requires that these be feed grain acres, not just any acre, as provided in the Andersen substitute, the committee bill approach could well bring a cut in 1957 of at least one-fifth in the total supply of 1957 feed grains placed on the markets. Doing this would require the market to go to Commodity Credit Corporation to buy feed grains, including corn from their inventories of Government-owned grain. This would mean two things:

First, the Government would not be required to engage in feed grain price-support operations in the 1957 marketing year; instead of taking up a large volume of commercial corn, Commodity Credit Corporation would be selling corn and other feed grains. Market prices would be at least 5 percent and probably more above the established support levels. This would result in a net profit to the Government and the Corporation which would offset a part of the acreage reserve payments made under the bill. And the family income of feed grain farmers in the United States would be raised by whatever amount the market price rises above existing pitifully low support levels.

The net effect of the committee bill is to provide approximately 84 to 87 percent of equivalent parity prices to feed grain farmers all over the Nation and to do it in ways that will be most economical to taxpayers and cause no unbearable burden to consumers, because the payments provided are compensatory in nature whether you call them production payments, soil bank payments, or acreage reserve payments, thus to whatever extent they are effective they result in raising farm income without pushing up consumer prices.

I hope you will reject the Andersen substitute. I simply cannot understand the attitude of some of its backers from heavy wheat and feed-grain-producing areas. Adoption into law of the Andersen substitute can only injure the wheat-grain sorghum farmer, the wheat-barley farmer, the wheat-noncommercial-corn farmer, the hog raiser, the cattle raiser and feeder. And as I have gone to pains to point out the Andersen substitute does not even provide any net help to the commercial corn producer. For the

commercial-area corn producer the proposed substitute is just a futile gesture; it provides little if any improvement for the commercial corn producer over existing law, and it is because of existing inadequacies that we are considering this measure today.

Why go to all this trouble merely to mislead and raise false promises? The proposed substitute will not help anyone; it will hurt many. I hope you will reject it. Then in the hours ahead we can improve the committee bill, if we can, and pass it out of this Chamber. I do not believe a better bill can be drafted by the committee. No purpose would be gained by recommitting the bill. If you do not want to do as much as we can to halt and reverse the tragic drop in farm income, then stand up and vote on final passage against the bill. But do not let us duck our responsibilities by hiding behind a recommittal motion.

(Mrs. KNUTSON asked and was given permission to revise and extend her remarks.)

Mr. COOLEY. Mr. Chairman, I yield to the gentleman from Texas [Mr. ROGERS].

Mr. ROGERS of Texas. Mr. Chairman, I rise in support of H. R. 4901. It may come as a tremendous surprise to many to discover that the farm program is not something new that has been developed within the last 20 to 30 years. It has been with us in some form or another as long as we have had a country. In fact, it came into being on this continent in one form as early as 1623. At that time, the "Grand Assemblée" of Virginia at "James Citie" enacted a law to see that sufficiency of corn be planted. By 1632 they required 2 acres of corn per head to be planted and tended. These laws were repeated many times. Moreover, the "Grand Assemblée" passed laws to control tobacco production. These laws provided for acreage limitations which, in effect, provided incentives for producers to shift from crops produced in excess of requirements to other specified commodities for which demand exceeded supply. From 1645 through 1676 the "Assemblée" passed numerous laws providing for export controls and export subsidies. Exports for a time were prohibited on corn, hides, leather, wool, and grain. Export duties and customs were lifted in 1655 on tobacco to encourage export of a surplus. Price controls were also a part of this earlier legislation. There is much more to be said on the history of the program, but I will not burden you on this matter, except to show that farm programs do have a history. I would suggest that many of you study the matter at your convenience. It is very interesting reading.

But to get on with the matter that we have before us at the present time, I should first like to quote from Ralph Waldo Emerson in his essay on farming: "The glory of the farmer is that, in the division of labors, it is his part to create. All trade rests at least on his primitive activity. He stands close to nature; he obtains from the earth the bread and meat. The food which was not, he causes to be. The first farmer was the

first man, and all historic nobility rests on possession and use of land."

Let none of us forget that the farmer, and this term also includes the rancher, is a nobleman in his own right and has so been from the beginning of man. We are here today to help solve a problem that has been created by the blessings of God in an abundance of food and fiber with which to meet our needs. Situations that should cause rejoicing in all quarters, but because of the controlled and regimented economy that has been developed by man, become a problem rather than a blessing; a problem that could as well have been visited upon any other segment of our economy, save for the fact that agriculture is primarily concerned with nature. And, as yet, man has been unable to make any great progress in subjecting nature to his demands or requirements. Hence, if agriculture is to participate on a fair and equal basis in the national income, certain measures must be adopted to prevent unfair discrimination against those who till the soil. Equality in opportunity has been the guiding light of all those who have advocated measures designed to keep the agricultural segment of our economy in balance with other segments. Much effort and exhaustive research have gone into the solution of the many problems involved during our lifetime. The program was designed on a nationwide basis, because it is a national problem. It was never intended that one portion of our country be set aside and given preferred and royal treatment, as against some other section.

The great need for the farm program actually began with the difficulties which overtook the American farmer shortly after World War I. It was the failure to face reality at that time and to do something about it that was a major factor in bringing about the depression in 1932. It might be said that if something good came out of the depression, it was an increasing awareness on the part of the Nation as a whole of the American farmer's plight.

At that time we were faced with the same problem with which we are faced today: Namely, that farm income was too low in relation to income in other segments of the economy.

The three measures in the minds of Members of the House are the present pending bill, the Andersen bill—which I understand will be offered as a substitute—and the bill proposed and sponsored by the Secretary of Agriculture, but which was never introduced. Actually, we are concerned with only two measures, the bill before us and the Andersen substitute. The Andersen bill was introduced as the original farm bill for this session of Congress. The bill that is pending before us was substituted in committee for the Andersen bill. I am sure that everyone thoroughly understands the ramifications of both of these measures because of the fine comments that have been made on the subject during this debate. However, I hasten to point out that the controlling difference in the two measures that should influence everyone in this House to support H. R. 4901, the Cooley bill, as against the

Andresen substitute, is the fact that the Andresen substitute deals alone with one feed grain in a confined area in this Nation. Some could say that such an approach amounts to a discrimination against the other feed grains, or conversely, a preferential treatment of corn in commercial areas. Most of us appreciate the tremendous amount of influence that can be exerted by those from the commercial corn areas of this Nation, but we do not fear the exercise of that power. Too long we have yielded to the requests, if not the demands, of the commercial area corn people. We have always felt that they were a substantial part of the agricultural economy of this Nation and we were ready, able, and willing to aid them. This we did on many occasions, but we have never feared them. In fact, it might be that we were too helpful to corn in commercial areas and not helpful enough to the other feed grains, including grain sorghums.

Whether or not the Andresen bill does or does not provide preferential treatment for corn in commercial areas is a subject that could be long debated with good arguments on both sides. However, it is my opinion that our best approach to the problem is to weigh the problem itself, without regard to any particular piece of legislation, and to try to conclude what is best under the circumstances. The entire matter here before us concerns feed grains including grain sorghums. The problem is no different today than it was immediately after World War I. At that time the farmers had been requested, from a patriotic standpoint, to produce more and more during the war. When the war ended, the production capacity did not reduce itself to the prewar level. Hence, a surplus came into being. As the surplus accumulated, the price began to decrease. The farmer, in the exercise of his basic right of self-preservation, immediately began to increase his production in order to have more products to sell for a lesser price so that his income would not be reduced. What he succeeded in doing was just the reverse of that. Every time he increased production, the price of the product decreased, and the farmer's income along with it. It was this situation that finally developed into the depression of 1932. That may be oversimplifying the problem, but it does give us the general situation so that we can go further into the matter by our own thought processes, if we so desire.

The same thing that happened after World War I is what is happening today, and unless firm measures are taken to keep all feed grains in balance, we can look forward to the same result that occurred then. Although many of my friends from the Corn Belt will probably deny this, I think that it can be fully substantiated that in a great many instances, one feed grain can be substituted for another. Such being the case, if the overall problem with which we are wrestling now concerns feed grains, it would be utterly useless, as a benefit to the agricultural segment of our economy as a whole, to treat only one part of the feed-grain group. That is exactly what

the Andresen bill does. It creates a premium on corn, a premium to be paid by the Government out of the tax coffers of this country and, if you will permit, it constitutes a definite discrimination against the producers of other feed grains, including grain sorghums. If such a plan is adopted, and I trust that this Congress will not adopt it, the only result from such action would be a repetition today, in the feed-grain segment of our agricultural economy, of the very thing that occurred after World War I.

The corn boys would be the royalty of the agricultural group, and, I am sure, would take great pleasure in their preferred position. However, like most ill-founded propositions, their position of luxury would be temporary—they could not escape the inevitable result, nor could the rest of the country. The other feed grain growers would exercise their right of self-preservation and immediately begin to increase the number of rows on their farms, add fertilizer, and, of course, expand their acreage to grow more of their product, which is bound to sell at a lesser price in order to try to maintain some semblance of relationship between their income and the cost of living. The result of this would be that the people who use feed grains would not buy corn at the high supported price, but would substitute other grains for their needs; grains that they could buy at a much cheaper price. This would mean that the entire economy would be adversely affected. Low prices on feeds have always meant low prices on cattle, poultry, and dairy products. As for the corn, it would go into Government storehouses and be kept there at a high rental cost until it deteriorated and had to be sold for a small part of its original cost, or sold on a foreign or domestic market at much less than it cost the Government to purchase it in the first place. In other words, it would be a situation where the corn farmers would be handed a premium, the payment of which would constitute a denial to the other feed grain producers of even a fair price for their products. I cannot believe that the corn farmers of this Nation, or that the Republican Party, want such a thing done; therefore, I beg of you in the House of Representatives, who have the great honor of representing the corn-producing areas of this Nation, regardless of your party affiliation, to weigh your position very carefully, not in scales that are concerned alone with the economic aspects of the commercial corn area, but scales that will produce a true measure based upon the best interests of the country as a whole and on all segments of agriculture.

Temporary relief for the Corn Belt would be like treating the left leg of a man who is sick all over. The pain in that particular portion of the body might be deadened for the moment, but the ravages of the disease with which the patient is afflicted would not be lessened. In fact, as soon as the deadening effect wore off, the patient would be in much worse shape than if he had been properly treated in the first place. In fact, the false sense of security provided by the pain-deadening effects on one portion of

the body could easily result in the death of the patient for failure to treat the source of the disease. That is exactly what can happen to the agricultural programs of this Nation if we, in this Congress, begin to treat one section of the country as opposed to others. Certainly none of us wants to see more damage done to our farm population than has already fallen their lot. I, for one, want to measurably lessen that damage.

The Cooley bill faces up to the realities confronting this Nation and the agricultural segment of our economy. Much has been said about the cost of the program and subsidies that will be paid. I disagree with this approach to the problem, and I defer to no one in my sincere quest for economy. However, I point out to you that we are not going to be able to pay the public debt of this Nation, which is reaching an all-time record; we are not going to be able to reduce the Federal budget, which is at an all-time high for peace periods, and we are not going to be able to lessen the overpowering tax burden of our people by destroying segments of our economy. Everyone in this House is willing to face reality, and if this is done, there can be no escape from the fact that our foreign aid program could well be advertised as a giant subsidy to big business and big industry in this Nation, traveling under an assumed name: nor could it be successfully denied that big business and big industry have not received one of the most tremendous subsidies ever conceived by the mind of man in the tax write-off authority that has been granted in recent years. It is my understanding that some of the economists in this administration have estimated that such a subsidy, if pinpointed and separated, would amount to over \$9 billion in 1 year. If there is or ever was a farm subsidy it fades into insignificance in comparison. But let us, for the sake of argument agree that both bills involve a subsidy. Ask yourself this question: Is it fair to give preferential treatment to one feed grain over another? That is exactly what the Andresen bill does. In fact it gives preferential treatment to corn grown in one area over corn grown in another, as well as other feed grains.

Certainly then, the Andresen bill is not the answer to our agricultural problem. Perhaps the Cooley bill is not the final answer. However, any answer to the problem will come in a fair and equitable consideration of every segment of our agricultural economy and, in my opinion, the Andresen bill does not advance this consideration. The Cooley bill does face up to the realization that all feed grains should receive like consideration by the Congress in order to effect a solution. I, therefore, urge this body to carefully scrutinize these pertinent facts and adjudge the relative merits of the two bills in light of their benefit to our entire agricultural economy.

I ask you in all fairness, as Americans interested in the welfare of the agricultural economy of the Nation as a whole, to vote for H. R. 4901, the Cooley bill, and against H. R. 3011, the Andresen

amendment or substitute, or whatever it is called.

(Mr. ROGERS of Texas asked and was given permission to revise and extend his remarks.)

Mr. COOLEY. Mr. Chairman, should we not now vote on the pending amendment offered by the gentleman from South Dakota [Mr. McGOVERN]?

The CHAIRMAN. That is correct.

The question is on the amendment offered by the gentleman from South Dakota [Mr. McGOVERN].

The question was taken; and on a division (demanded by Mr. McGOVERN) there were—ayes 138, noes 157.

Mr. McGOVERN. Mr. Chairman, I ask for tellers.

Tellers were ordered and the Chair appointed as tellers Mr. McGOVERN and Mr. AUGUST H. ANDRESEN.

The committee again divided and the tellers reported that there were—ayes 168, noes 172.

So the amendment was rejected.

(Mr. McMILLAN asked and was given permission to revise and extend his remarks.)

Mr. McMILLAN. Mr. Chairman, members of the Committee, I listened with great interest for approximately 30 days when statements were being made by the Department of Agriculture officials and private individuals for and against the bill we are considering here today. I think this subject was thoroughly explored by our committee and regret very much that the President and Secretary of Agriculture did not include all farm products in their request for additional soil-bank funds to assist the corn farmer.

The tobacco farmer in my district is in a very distressing condition today having had 2 or 3 bad drought years and then last year a 12 percent acreage reduction. The growing seasons were not good for tobacco in South Carolina last year and the farmers received \$18 million less for their tobacco in 1956 than they did in 1955 which with the 12 percent forced acreage cut amounts to approximately 37 percent reduction in the tobacco crop in South Carolina for 1956. The Department of Agriculture has this year ordered another 20 percent reduction and it is my opinion that several hundred farmers will be compelled to discontinue farming unless we can have the Secretary of Agriculture approve the 20 percent acreage reduction for soil bank purposes. I have a private bill pending before our committee at the present time specifically requesting that the 20 percent acreage reduction forced on the tobacco farmers for 1957 be acceptable for soil bank purposes. I voted for this soil bank bill that was vetoed by the President and also the Soil Bank Act that is on the statute books today. I was of the impression that it would grant the assistance I am requesting in my bill H. R. 768 now pending before the House Agriculture Committee.

I can see very little assistance for the farmer in the Southern States in the bill we are now considering and I honestly believe the farmers would be actually insulted to accept the small soil bank payments that could be paid to the to-

bacco and cotton farmer under the pending bill. I certainly have no objection to the corn farmers receiving some assistance, however, I cannot explain to the farmers I represent why I should vote to assist corn farmers in the West when they are suffering to the same extent and worse.

(Mr. BREEDING asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. BREEDING. Mr. Chairman, I want to speak out in support of H. R. 4901, the corn bill, because I feel that it deals with the total problem of surplus feed.

I recently returned from my district which is in the heart of the great drought area of our country and whose economic lifeblood depends on wheat, livestock and grain sorghums.

Almost without exception my constituents whom I have consulted with want feed grains to be treated the same as corn is treated under our Federal farm program. They want to see this grain sorghum country of ours, which also raises a smaller quantity of oats and barley, receive equal parity and the opportunity to participate in the soil bank on the same basis as is presently enjoyed by the corn producers. This bill does nothing to hurt the corn producer in the commercial areas. It is still treated as a basic commodity. It does include corn produced outside of the commercial area as the feed grains. It does nothing to change the status in the commercial area. I believe our milo growers should have every consideration the commercial corn growers are now receiving. The general feeling in my area seems to be overwhelmingly for feed grains as included in H. R. 4901. I am going to work for the interest of feed producers and milo growers. They further feel that the corn producers continue to grow feed and continue to grow wheat at the expense of the wheat producers. I am not for continuing this costly farm program whereby the corn growers have received approximately 60 percent of the soil bank reserve payments and the rest of our feed growers nothing. In fact my people are very much opposed to the lowering of parity to 70 percent on milo maize for the crop of 1957, which only serves to further lower, and drastically, the income of the farmers in my drought-stricken district.

Corn growing in my district is no real threat to the commercial corn producers because it is not suited to the weather conditions of the high plains, but certainly feed grains are.

Mr. COOLEY. Mr. Chairman, I know that all of us are delighted that this debate is now coming to a close. I want to say again that I think it is a rather tragic situation in which we find ourselves at this moment. Obviously we are now operating in an atmosphere that is intensely political, and without any reason on earth. I still do not understand why we cannot approach the solution of this problem with calmness and with some degree of tolerance and with a little intelligent thinking.

I do not know if there is anything that I could add to what has been said, but I

do want to agree with what the gentleman from Minnesota [Mr. H. CARL ANDERSEN], said today, that too much time has been devoted to politics and political speeches. I am not trying to accuse the Republicans of engaging in political speaking.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. I just wonder what the gentleman would think about the politics involved in almost solid support on his side for the last two amendments.

Mr. COOLEY. I am not saying that all of the politics is on your side, if we have shocked anybody along political lines, but I still think it is a sad and dreary day for the farmers of America when we meet in this sort of environment.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Why can we not put the vote over until tomorrow and forget politics?

Mr. COOLEY. I am perfectly willing for it to go over until next week, but some people might object to it. Now, we have an important bill. It means that we have a bill or do not have a bill. If you vote for the Andresen bill, then we cannot perfect the provisions of the bill that was reported by the committee. You close the door. You gag the House, so to speak. If we could defeat the Andresen amendment, we could come back and with reason next week or tomorrow, work out a good program. If you do not want feed grains in, we could settle that. If you do not want section 3, we could consider that. We could consider it section by section. But here you are going upon a program the like of which we have never embraced in this Nation before and the like of which no other group of producers in America has ever enjoyed. The cotton farmers were not paid to reduce their acreage, the wheat farmers were not paid to reduce their acreage. Neither were the tobacco farmers nor the peanut farmers nor the rice producers. But last year you paid \$179 million to the corn producers in the commercial area and you still had an abundant crop and a surplus crop. Now you propose to spend \$217 million on exactly the same program, giving the farmers by act of Congress acreage increases from 37½ million to 51 million, and then let them put it in the soil bank and pay for it, and they do not reduce their corn crop one bushel.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. COLMER. Mr. Chairman, I quite agree with the gentleman that it is very unfortunate for the agricultural interests of this country that this important piece of legislation is being considered in a political atmosphere. In that situation, why would it not be a good idea to send it back to the committee and bring out another bill?

Mr. COOLEY. I did not rush this bill. I did not try to rush it out of the com-

mittee. It came out of the committee by a strictly party vote, except for 1 or 2 on each side; I think maybe 1 Member on the Republican side and one on the Democratic side. But it is obvious to the people of America now and to the farmers of the Nation and the farm leaders of the Nation that we are divided along political lines. I have taken great pride in the time that I have served on the Committee on Agriculture in the fact that we have been able to keep party politics out of our deliberations. Why we have it I frankly do not know. This is a vital problem we are dealing with. I urge the membership of the House to defeat the Andresen amendment and then get together, sit down in calmness and work our will upon a bill which will be of service to the people of America.

PROGRAM FOR THE WEEK OF MARCH 11, 1957

Mr. MARTIN. Mr. Chairman, I ask unanimous consent to address the Committee for 1 minute that I may inquire about the program for next week.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. McCORMACK. I shall be very happy to advise the gentleman from Massachusetts.

On Monday there is no legislation scheduled.

On Tuesday there is the General Government matters appropriation bill for 1958. Further consideration of H. R. 4901 will follow on Tuesday.

On Wednesday we shall take up H. R. 4602, to increase direct loans for veterans housing.

On Thursday, H. R. 4090, the Tax Rate Extension Act of 1957.

There are the usual reservations, that conference reports may be brought up at any time and any further program will be announced later.

I might say also that if this bill is disposed of one way or the other today we will go over until Monday.

CORN AND FEED GRAIN PROGRAM

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN], as amended.

Mr. COOLEY. Mr. Chairman, in the interest of time I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. POAGE.

The Committee divided, and the tellers reported that there were—ayes 180, noes 187.

So the amendment was rejected.

Mr. HARRISON of Nebraska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Nebraska: Strike out all after the enacting clause and insert in lieu thereof the following: "That notwithstanding any other provision of law, section 103 of the Agricultural Act of 1956 (Public Law 540, 84th Congress) is amended by adding a new subsection (c), as follows:

"(c) For the 1957 crop year, corn producers in the commercial corn area may qualify for price support on corn and participate in the soil bank program by complying, in accordance with regulations issued by the Secretary of Agriculture, with either

of the alternatives presented to producers in the corn referendum dated December 11, 1956, pursuant to the provision of the Agricultural Act of 1956 (Public Law 540, 84th Congress)."

The CHAIRMAN. The gentleman from Nebraska [Mr. HARRISON] is recognized.

Mr. HARRISON of Nebraska. Mr. Chairman, in view of the atmosphere this afternoon, I will use the microphone on the Democratic side. I think it might clear the atmosphere just a little. I am going to take the advice of our good Chairman. He said we should approach this in quiet and calm. I feel that I am in the right atmosphere if I am over on this side.

I was happy to see the vote on the amendment come when all of the people on this side stood up for 1 year legislation. My amendment is offered for only 1 year, and I hope that I will get support from all the people on this side who stood up for the Jones amendment which was offered to the Andresen bill.

Mr. JONES of Missouri. Did the gentleman vote for the 1-year provision a minute ago? I do not believe he did. However, I will withdraw the question.

Mr. HARRISON of Nebraska. I will explain in just a few words, my substitute, because it is a very simple substitute for the legislation that is before us. It does this and this only. It gives the farmer an opportunity to choose between the two alternatives that he voted on in the December 11 referendum that was circulated. Sixty-one and one-half percent of the farmers voted for that amendment. This gives them an opportunity to choose between two alternatives that they voted for. In other words, those who wanted 37.3 million acres, with \$1.36 price support, with the participation in soil bank voluntarily, as against 51 million acres with \$1.31 price support and with 15 percent soil bank participation mandatory. That is the sum and substance of the total substitution that I am offering.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. Yes; I yield.

Mr. AUGUST H. ANDRESEN. I understand that the bill you are proposing as a substitute is H. R. 4555?

Mr. HARRISON of Nebraska. That is correct.

Mr. AUGUST H. ANDRESEN. I believe that when the president of the Farm Bureau appeared before our committee he favored that particular bill and that approach?

Mr. HARRISON of Nebraska. That is my understanding; yes, sir.

Mr. AUGUST H. ANDRESEN. In view of what happened on the vote on the amendment which I offered, I will support the gentleman's amendment.

Mr. HARRISON of Nebraska. I thank the gentleman.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. HOFFMAN. Did I understand you to say this would do just what the amendment offered by Mr. Jones would do?

Mr. HARRISON of Nebraska. No. It is for 1 year.

Mr. HOFFMAN. That was offered in good faith, I assume, was it not?

Mr. HARRISON of Nebraska. I am certain it was. But I hope I have explained the substitute sufficiently well so that it is understood by the membership.

Mr. ABERNETHY. Mr. Chairman will gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. ABERNETHY. Is the gentleman's amendment the same bill that was submitted to us by the Secretary of Agriculture?

Mr. HARRISON of Nebraska. No.

Mr. ABERNETHY. It is not the same bill?

Mr. HARRISON of Nebraska. No, it is not, but it is a bill that the farmers voted for. Since this is the Democratic way of doing business, I think we should give them an opportunity to choose between these two alternatives that they voted for. The cost will not be one iota more than it was last year. There is no more in this from the standpoint of administration, and the only additional cost might come from additional participation in the soil-bank program.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. HOEVEN. I want to say to the gentleman that I want a corn bill some time, and I will support the gentleman's amendment.

Mr. HARRISON of Nebraska. I thank the gentleman.

Mr. BONNER. Mr. Chairman, will the gentleman yield?

Mr. HARRISON of Nebraska. I yield.

Mr. BONNER. I merely wanted to ask the gentleman if this is not the identical bill the farmers voted down in the corn referendum?

Mr. HARRISON of Nebraska. It is what they voted down but 61.5 percent voted for it. It required a two-thirds vote to pass a program under a referendum.

Mr. BONNER. Then it is fair to say that the farmers rejected this proposal.

Mr. HARRISON of Nebraska. It is fair to say that 38½ percent of the farmers rejected it.

Mr. BONNER. What I mean is they did not get the required vote under the referendum and therefore it was voted down.

Mr. HARRISON of Nebraska. That is right.

Mr. POAGE. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to suggest that it has been agreed with the ranking minority member that the committee may now rise and that further consideration of this bill may go over until after the disposition of the appropriation bill on Tuesday next.

I want it understood that that is the agreement on the part of the minority as well as the majority.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. McCORMACK. May I say to the gentleman that if the committee rises

now, in accordance with the conversation had with the acting chairman of the committee and the ranking minority member I will program the bill for Tuesday following the disposition of the appropriation bill.

Mr. POAGE. And let it be understood that that action is in accordance with the agreement had by all parties and is not done at the request of the acting chairman. It is simply an effort to keep the program of the House functioning. The Committee has no desire to delay this bill and is ready to proceed tonight.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman's statement of the understanding is correct.

I would, however, like to mention this, that the first order will be the consideration of the amendment offered by the gentleman from Nebraska [Mr. HARRISON], so that we can get a vote on that before we consider any other amendment.

Mr. POAGE. I understand that will be the procedure.

I want to make this one further statement, that the majority members of the Committee on Agriculture stand ready to meet tomorrow morning in the committee room of the Committee on Agriculture if anybody wants to meet with us and try to work out any further details of this bill. It has been suggested that we should try again to get into an agreement. The majority members are ready to try.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. AUGUST H. ANDRESEN. I recognize that very generous offer, and that means that we are going to meet in order to take over your bill.

Mr. POAGE. I invite you to come. I invite any interested Member to come.

Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, had come to no resolution thereon.

GENERAL LEAVE TO EXTEND

Mr. POAGE. Mr. Speaker, I ask unanimous consent that all Members may be allowed to extend their remarks in the body of the RECORD in connection with the bill under consideration today, H. R. 4901.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CORN REFERENDUM BALLOT

Mr. JONES of Missouri. Mr. Speaker, I ask unanimous consent to have inserted

in the RECORD a copy of the corn referendum ballot which was used in the December election, because that ballot was referred to in the amendment which is now under consideration and I think many Members do not know what it contains.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

(The matter referred to follows:)

CORN REFERENDUM BALLOT

If you favor soil bank corn base acreages and a price support program for corn for the 1957 and subsequent crops at such level as the Secretary of Agriculture determines will assist producers in marketing corn in the normal channels of trade, but not encourage the uneconomic production of corn, as provided for in the Agricultural Act of 1956, put "X" in this box. ☐

(Explanation: Under this program, a soil bank corn base acreage of 51 million acres would be apportioned to farms in the commercial corn-producing area for each of the years 1957, 1958, and 1959; and a producer's eligibility for price support as a cooperator would depend upon: (1) his devoting an acreage of cropland on the farm to either the soil bank acreage reserve program for corn or the soil bank conservation reserve program equal to 15 percent of the producer's farm base acreage for corn, and (2) his not exceeding the farm base acreage for corn.)

If you favor corn acreage allotments as provided for in the Agricultural Adjustment Act of 1938, as amended, and price support on corn as provided for in the Agricultural Act of 1949, as amended, put "X" in this box. ☐

(Explanation: Under this program, an acreage allotment of 37,288,889 acres would be apportioned to farms in the commercial corn-producing area for 1957 and an acreage allotment for subsequent years would be established as provided for in the Agricultural Adjustment Act of 1938, as amended; price support on corn would be at level of from 75 to 90 percent of parity, depending upon the supply of corn in relation to the needs for corn; and a producer's eligibility for price support as a cooperator would depend upon his not exceeding the farm corn acreage allotment. Participation in the soil bank acreage reserve program would require a reduction of the corn acreage below the farm corn acreage allotment.)

CORRECTION OF ROLLCALL

Mr. BYRNES of Wisconsin. Mr. Speaker, on rollicall No. 13 of yesterday I was recorded as not being present. I was present and answered to my name and I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

STRENGTHENING OUR OFFICER TRAINING SYSTEM FOR THE ARMED FORCES

(Mr. VAN ZANDT asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of today's RECORD.]

ADJOURNMENT UNTIL MONDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday of next week and the week following be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

TRIAL BY JURY

(Mr. FLYNT asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. FLYNT. Mr. Speaker, recently I introduced two bills, H. R. 3038 and H. R. 3768, both of which have been referred to the Committee on the Judiciary, and upon which I hope there will be hearings ordered in the very near future. H. R. 3038 was introduced first, and H. R. 3768 is the same bill with a technical amendment to it which I believe to be desirable. The intended purpose of the bill remains unchanged.

I mailed a copy to each Member of the House, and the written response was to me amazingly great and is genuinely appreciated by me. In addition to a tremendous number of written replies, an even larger number of House Members have talked with me personally and over the telephone about this legislation.

In complete candor, I am pleased to state that every one of my colleagues who has either written to me or spoken to me, or both written and spoken to me, about this legislation has expressed his approval of the purpose of the bill and has stated that he favors it in principle even if not in form. So that the record may be completely clear on this point, if there is any Member who has written to me or spoken to me about it who does not favor this bill, if he will advise me I will take the floor tomorrow in order to set the record straight. Thus far, everyone with whom I have spoken and everyone who has replied to my letter has been unanimous in their support with the principle at least.

I want to emphasize that nothing in the bill is designed or intended to prevent any court from summarily punishing for contempt any person guilty of a contemptuous act or otherwise creating any disorder in the courtroom or in the presence of the court.

It does not take away from any court or any judge the right to maintain order and decorum within the courtroom nor does it deny to such court or such judge the right to punish willful violations of the terms of any order, mandate, writ, process, rule, decree, or command of the court.

It does, however, provide that no American citizen shall be fined or imprisoned or both for an act of contempt of court committed outside the presence of the court and involving a proceeding to which he was not a party until a legally qualified and impartial jury passes upon the question of his guilt or his innocence.

On March 1, 1957, the Colorado Springs (Colo.) Gazette Telegraph had this to say about the bill which I have introduced:

Congressman FLYNT is to be congratulated for making the proposal he has. While we owe much to British law for our understanding and functional employment of due process in an effort to attain justice, we owe nothing to the British Crown, nor should any of our laws or regulations be based upon a presumed inherent right of the Crown to decide arbitrarily against a citizen who may differ from the opinion of the judge in a given case.

We were particularly pleased with this statement, also from Congressman FLYNT:

"The test of all legislation is not what a good and wise man might do with it; the necessary test to be applied is what a bad man can do with it. Absolute power, whether vested in an executive officer or in a judicial officer, is a dangerous thing and would most certainly destroy our framework of Government and the basic guaranties of individual liberties which are spelled out in the Constitution of the United States and, I believe, in the constitutions of all 48 States."

We have great hopes that the Congress will pass this needed revision to the powers wielded by courts. It is completely contrary to the spirit of our laws that any man, regardless of his office, shall have arbitrary power over another man simply because the one may choose to criticize the other. We hold the right to criticize an inviolable portion of freedom of both speech and press.

I, too, hope the bill will be favorably considered by this Congress.

Coloradans are not the only people who have written in support of the principle which I have advocated in this legislation, because I find that in the Harvard Law Review of June 1924 that two of the professors of law at the Law School of Harvard University, recognized as one of the leading institutions of law education in the world, wrote a 103-page law review article, entitled "The Power of Congress over Procedure in Criminal Contempts in 'Inferior' Federal Courts—A Study in Separation of Powers." This article was written and signed jointly by Hon. Felix Frankfurter, presently an Associate Justice of the Supreme Court of the United States, and Hon. James M. Landis, formerly dean of Harvard Law School, formerly Chairman of the Securities and Exchange Commission and holder of many other notable positions in Government, law, and education.

Justice Frankfurter and Dean Landis began their 103-page article with a quotation from Sir Frederick Pollock, which reads as follows:

A great commandment of our Lady of the Common Law: Thou shalt not make unto thyself any graven image—of maxims or formulas to wit. (Sir Frederick Pollock, A Plea for Historical Interpretation, 39 Law Quarterly Review 163, 169.)

I recommend the reading of this article to every Member of Congress, and

it can be found in volume 37, Harvard Law Review—1923–1924, pages 1010 to 1113. I wish I could quote the entire article as part of my remarks today; and while I am not going to impose the entire article at this time, I am proceeding herewith and forthwith to quote parts of it, with the assurance to both the authors and to its readers that I have not taken any portion of it out of context; and if such a charge should be seriously made by any person that I have taken any of this out of context, I will be delighted to immediately include the entire article as an extension of my remarks, notwithstanding that it will exceed the statutory limits and that its cost will have to be estimated by the Public Printer.

POWER OF CONGRESS OVER PROCEDURE IN CRIMINAL CONTEMPTS IN INFERIOR FEDERAL COURTS—A STUDY IN SEPARATION OF POWERS

"A great commandment of our Lady of the Common Law: Thou shalt not make unto thyself any graven image—of maxims or formulas to wit." (Sir Frederick Pollock.)

May Congress provide for the ascertainment of disputed facts by a jury, under the usual supervision of a judge, in a very limited and strictly defined class of criminal contempts of the inferior Federal courts, that is, "infractions of the law" resulting from acts not done "in the presence of the court" and "visited with punishment as such," to "vindicate the authority of the court," and not as "remedial enforcements for the benefit of a complainant"? Here is a far-reaching contemporary legal problem. Its scientific answer requires the tolerant and imaginative approach essential to every judicial demarcation of power between Congress and courts.

In its immediate aspect, the narrow issue is the allowable extension of the jury, as the ancient instrument of fact finding and of popular cooperation in the enforcement of law, to a special class of offenses known as criminal contempts. But the question has far deeper implications. Its solution will turn on one's conceptions of the scope of the power, specifically conferred by the Constitution upon Congress, "to constitute tribunals inferior to the Supreme Court," and of the meaning necessarily embodied in the judicial power conferred by the Constitution and beyond the zone of congressional definition, once these tribunals are called into being. Plainly, we have here one of those vexing constitutional issues which are always presented, when it is sought to stereotype familiar practices into constitutional necessities out of phrases of undefined vagueness. Such issues have their greatest significance beyond the immediate case, for this tends to create habits of mind which control the disposition of future cases. There opens up a vista of possibilities full of portents for those to whom the vitality of, and public confidence in, the inferior Federal courts are indispensable to a well-ordered national life.

But in answering our question the Supreme Court will not construe the American Constitution merely in the light of those broad considerations pertinent to a delimitation of undefined grants of power. It will not confine itself to constitutional practice as disclosed by legislative history and the general trend of past adjudications. The incidence of our particular problem is new; its solution is much entangled with old English history. Unfortunately, much of the true history about criminal contempt was until recently buried. Wholly unfounded assumptions about immemorial usage acquired a factitious authority and were made the basis of legal decisions. This false history still enjoys wide legal currency. Fortunately, the

United States Supreme Court has never been called upon to give final sanction to these errors of the past. On the contrary, the fruits of modern scholarship have already been reflected in one of its landmark decisions concerning criminal contempts. Insofar as judgment on the constitutional power of Congress to regulate the procedure by which the lower Federal courts may exercise their right to punish for criminal contempts calls for a consideration of the problem in its historical setting, the Supreme Court is not likely to embalm exploded history in the Constitution. Once the obstruction of accumulated falsities, which have enveloped the law of criminal contempts, is swept into the capacious limbo of other errors, it will be found, we submit, that the power recently exercised by Congress encounters no constitutional difficulty.

I

At the bottom of our problem lies the doctrine of the separation of powers. That doctrine embodies cautions against tyranny in government through undue concentration of power. The environment of the Constitution, the debates at Philadelphia, the writings in support of the adoption of the Constitution, unite in proof that the true meaning which lies behind the separation of powers is fear of the absorption of 1 of the 3 branches of Government by another. As a principle of statesmanship the practical demands of government preclude its doctrinaire application. The latitude with which the doctrine must be observed in a workaday world was steadily insisted upon by those shrewd men of the world who framed the Constitution and by the statesman who became the great Chief Justice. A distinguished student of comparative constitutional law, one of Montesquieu's countrymen, has summed up the significance of his doctrine:

"The separation of powers is merely a formula, and formulas are not working principles of government. Montesquieu had chiefly aimed to indicate by his formula the aspirations of his times and country. He could not and did not wish to propose a definite and permanent solution of all questions brought up by the government of men and their long-felt longings for fairness and justice."

In a word, we are dealing with what Sir Henry Maine, following Madison, calls a political doctrine, and not a technical rule of law. Nor has it been treated by the Supreme Court as a technical legal doctrine. From the beginning that Court has refused to draw abstract, analytical lines of separation and has recognized necessary areas of interaction. Duties have been cast on courts as to which Congress itself might have legislated; matters have been withdrawn from courts and vested in the executive; laws have been sustained which are contingent upon executive judgment on highly complicated factors, instead of insisting on self-defining legislation; even though "the distinction between amnesty and pardon is of no practical importance" the specific power of the President to grant pardons does not invalidate congressional acts of amnesty, nor does the President's power to pardon offenses preclude Congress from giving the Secretary of the Treasury the authority to remit fines and forfeitures. Even more significant than the decisions themselves are the considerations which induced them, and the insistence on an abstract doctrine of separation of powers which they rejected. "The necessities of the case," "to stop the wheels of government," "practical exposition," are the variations in the motif of the decisions. The dominant note is respect for the action of that branch of the Government upon which is cast the primary responsibility for adjusting public affairs. The accommodations among the three branches of the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 12, 1957
For actions of March 11, 1957
85th-1st, No. 42

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HIGHLIGHTS: House committee reported General Government matters appropriation bill. House committee reported resolution asking President to suggest cuts in 1958 budget. Rep. Alexander criticized proposed increases in Federal personnel. Rep. Bass, Tenn., introduced and discussed bill to amend Soil Bank Act to include tobacco farmers. Rep. Church introduced and discussed bills to implement certain Hoover Commission recommendations.

HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported without amendment H.R. 5788, the general government matters appropriation bill, on Mar. 8 pursuant to a special order of the House (H. Rept. 186). p. 3013
Reps. Dorn and Abernethy urged that the 1958 budget be cut. pp. 2996, 3009-10
The "Daily Digest" states: "Conferees, in executive session, continued to resolve the difference between the Senate- and House-passed versions of H.R. 4249, urgent deficiency appropriations for fiscal 1957, but did not conclude their work and will meet again Wednesday, March 13." p. D185
2. BUDGETING. The Appropriations and Rules Committees reported without amendment H. Res. 190, requesting the President to submit recommendations for reductions in the 1958 budget (H. Repts. 187 and 192). p. 3013
3. SMALL BUSINESS. Rep. Coffin spoke in support of his bills (H.R.'s 5651, 5650 and 5693) to aid small businesses. pp. 2996-97
4. PERSONNEL. Rep. Alexander discussed "the alarming growth in the number of civilian employees in the executive branch of the Government", suggested a careful review of agency budget requests in order to reduce requests for additional personnel, and inserted a newspaper article on the subject. pp. 3006-09

Rep. Davis stated his belief that the work of the Federal Government could be done efficiently by 2 million civilian employees. p. 3009

5. LEGISLATIVE PROGRAM. Rep. McCormack stated that the first order of business is now H. Res. 190, requesting the President's recommendations for 1958 budget reductions, to be followed by the general government matters appropriation bill, and then further consideration of corn legislation. p. 2998
6. CIVIL DEFENSE. Received a Nevada Legislature memorial requesting a study of the problems involved in civil defense. p. 3015
7. WHEAT. Received a Michigan Legislature memorial protesting the proposed USDA revision in the moisture standard for wheat. p. 3015
8. FARM LANDS. Received a Montana Legislature memorial urging legislation for the protection of Montana farm and grazing lands. p. 3015
9. WATER RESOURCES. Received an Idaho memorial favoring the use of power revenues for multi-purpose hydro power projects to aid reclamation development. p. 3015

ITEMS IN APPENDIX

10. FARM PROGRAM. Rep. Alger inserted a report to his constituents in which he criticized both parties for political actions on the corn bill and asked: "In sorrow over the farmer, who weeps for the taxpayer?" p. A1895
11. BUILDINGS AND GROUNDS. Rep. Karsten inserted an editorial criticizing the lease-purchase program as excessively costly. p. 1895-6
12. BUDGET. Rep. Smith inserted an article, "Challenge to Conservatives," by Wm. Henry Chamberlin, arguing for a new grouping of conservatives as "there is little choice between the two big parties," and expressing misgivings about the level of Federal spending. p. A1896
Rep. Coudert inserted Secretary of Commerce Week's talk before the Women's National Republican Club, in which he asserted that the "Federal Government must expand some functions to keep pace with this new growth," and pointed out that measured against gross national product the budget had been reduced from 20% in 1953 to 16% in 1957. pp. A1934-5
13. ELECTRIFICATION. Rep. Frazier inserted an article by Thomas Stokes, "Double Standard on Public Power," which pointed out that the Administration was financing public power projects overseas while retarding public power development in this country. pp. A1896-7
Rep. Van Zandt inserted a speech on the value of coal as the lowest cost electric-power fuel, and asserted that this advantage would continue even under the promotion of atomic power. pp. A1901-3
Extension of remarks of Rep. Engle criticizing Secretary of the Interior Seaton's proposal for a power partnership on the Trinity River. "Acceptance of the recommendation would mean the end of public power in California," he said, and then summarized the argument under 12 issues. pp. A1904-7
Rep. Loser inserted an editorial from the Nashville Tennessean criticizing TVA Chairman Vogel for being an "apologist for a policy of attrition that already has brought the agency into the shadow of a critical power shortage." p. A1927

and continuing studies of the problems of small business and to file semiannual reports on the results of such studies. While it may be that SBA presently has the authority to make such studies, the fact is that it has not done so. This proposal not only directs the agency to face up to and to report on the basic problems of small business; it also provides greater authority to that agency to employ private persons and organizations to conduct studies and perform research.

I might add parenthetically that there may be some question as to whether the Bureau of the Budget will permit SBA to make recommendations for legislation that will strengthen small business. But there should be no excuse for SBA to fail in its basic duty to report in a competent and intelligent manner on the problems of small business.

My second bill, H. R. 5693, will authorize the Small Business Administration to make loans to local private nonprofit organizations formed to assist, develop, and expand the economy of any locality or area. Under this proposal sound and secured loans may be made, without limitation on amount, to private groups such as development-credit corporations and industrial foundations to help local organizations to help themselves to establish new industry in their area and to strengthen existing enterprises.

I am advised that SBA has made such loans in a limited way. I must confess that I am hard put to ascertain the authority under which such loans are made. According to my understanding, the Small Business Administration is authorized to make business loans only to a small-business concern. Nevertheless I believe such loans are desirable. Such loans enable the local community to take responsibility for meeting their own economic problems. I think that this is where, in the first instances, the responsibility belongs.

The third bill which I have introduced, H. R. 5650, authorizes SBA to make loans found by the President to be necessary to avoid or alleviate the effect of a serious economic disaster, depression, or dislocation affecting any group, area, or industry. This is a logical extension of the Small Business Administration's present disaster loan program. That agency now is permitted to make loans to individuals and business enterprises, both large and small, that have suffered from the effects of floods, or other natural disasters. Economic disasters can be as devastating to a community as a hurricane. Nevertheless at this time the President does not have authority to avoid or lessen the effect of an economic disaster upon a community or industry by granting the same kind of financial assistance available in the event of a natural catastrophe.

It is not intended that this legislation should in any way conflict with the aims of proposed area assistance legislation. But it appears to me to be completely sensible to give the President a tool necessary to meet unanticipated economic problems that may not fall within the scope of any area assistance legislation.

For example, it should not have been necessary when commercial fisheries needed emergency help for Congress to establish a separate loan program. It does not seem to me to be desirable to require special legislation each time a different economic problem occurs. This places an unnecessary burden on Congress. Moreover, it is more economical and efficient to center, as much as practicable, all such lending functions in one Government agency that already has the know-how.

Small-business men and the communities they serve are watching this Congress to see if words are transformed into deeds. Although their number is great, they have little time to write letters, to testify, to lobby. But their cause warrants the help of every Member of Congress.

I know I express the views of all Members when I say I would not like to see this Nation depend for its economic strength on a handful of giants. The community businessman cannot hold out indefinitely. He looks to this session for leadership in rolling back, or at least stemming, the tide of bigness.

YOUNG PEOPLE CAN STILL SUCCEED

(Mr. TRIMBLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. TRIMBLE. Mr. Speaker, our country is great today because our young people can climb the ladder of success if they have the will to do it; and, can maintain the integrity which we have inherited from the pioneers.

If the time ever comes when they cannot do that, then our beloved land will go the way of the great nations of the past.

I am disturbed by the trend of our economic structure in recent years. I am not against bigness as such. We are a big country—the leader of the free world—and we need big business, big labor, and big agriculture as integral parts of the process of survival in this atomic age. However, bigness must never be allowed to swallow littleness as large fish swallow little ones in our lakes and streams. If business becomes so big that it becomes a monopoly; if organized labor becomes so big that it forgets the reason for its existence, the protection of those who labor; if agriculture gets so big that big farms drive out the small farmer—then we are in for a sea of trouble. Domestic monopoly is just as dangerous and deadly as government monopoly.

When our small business people and small farmers, like the ones who helped make this country what it is, can no longer grow and prosper enough to sustain a home and family, but are forced to leave by the thousands for jobs elsewhere, something is wrong in the heart-stream of this Nation.

May the time never come when big people are not little people, and when little people are not big people. Our Nation cannot survive without both.

POLAND

(Mr. CEDERBERG asked and was given permission to address the House for 1 minute.)

Mr. CEDERBERG. Mr. Speaker, we have been reading in the newspapers where a commission from Communist Poland has come to the United States in an effort to secure economic aid. Then, in yesterday's Sunday Washington Post, I read an article dated Monrovia, Liberia, and one paragraph of that article says that President Tubman, President of Liberia, said he rejected a recent offer of aid from Communist Poland to develop natural resources on the ground that Liberia does not want economic partnership with other governments, but only with private companies.

Now, I cannot understand how we, as a nation, can consider giving economic aid to Communist Poland when Communist Poland at this very time is offering economic aid to other countries of the world. I would suggest that we take a good, long look before we offer any economic aid to Communist Poland. I have a number of fine Polish constituents and we are all aware that they make some of the finest citizens of our country. We are also interested in the citizens of Poland. But, I do not think this is the way to aid the people of Communist Poland in their fight against Communist tyranny. It is about time that we looked into this matter very carefully.

VALUE OF COAL AS A SOURCE OF ELECTRIC ENERGY

(Mr. VAN ZANDT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

[Mr. VAN ZANDT addressed the House. His remarks appear in the Appendix of today's RECORD.]

[Mr. BROWNSON addressed the House. His remarks will appear hereafter in the Appendix.]

LEGISLATION TO IMPLEMENT THE SECOND HOOVER COMMISSION RECOMMENDATIONS

(Mrs. CHURCH asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. CHURCH. Mr. Speaker, following my program of introduction of legislation to implement the recommendations of the second Hoover Commission—signalized in the 84th Congress by my introduction of 77 bills—I have today, at the request of the Citizens Committee for the Hoover Report, introduced the following three bills:

First. A bill to create a Supply and Services Administration as a Department in the Department of Defense, and for other purposes. This bill incorporates four recommendations of the Second Hoover Commission which are aimed at eliminating unnecessary waste—dupli-

cate, stocks, distribution systems, facilities and overhead personnel.

Second. A bill to establish a Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government which may be conducted in competition with private enterprise, and for other purposes. This bill declares it to be the policy of the Federal Government to encourage private competitive enterprise to the maximum extent consistent with national security and the public interest; and sets forth instructions, rules, and regulations providing for the termination, to the maximum extent compatible with national security, of all business-type activities engaged in by the Federal Government.

Third. A bill to amend section 602 of the Federal Property and Administrative Services Act of 1949 with respect to the utilization and disposal of excess and surplus property under the control of executive agencies. This bill gives greater authority to the Administrator of General Services as regards the sale, utilization, and disposal of excess or surplus Government property. This bill does, however, authorize the President to make such specific exemptions by Executive order from the exercise of the General Services Administrator's authority as he deems to be necessary in public interest or national security.

Implementation of these particular recommendations of the second Hoover Commission—following the earlier introduction by me of H. R. 211, a bill to establish a Joint Committee on Foreign Intelligence, and H. R. 3961, providing for improved methods of stating budget estimates and estimates for deficiency and supplemental appropriations, together with bills still to be introduced in this Congress—will prove a substantial step forward in achieving for the country and for the overburdened taxpayer at least an approach toward the increased Government efficiency and economy toward which the Second Hoover Commission recommendations are point. As you know, the Commission itself has indicated a possible annual saving, through the implementation of its recommendations, of some \$5 billion.

I would certainly urge the chairman of the committees to which these bills will be referred to hold prompt hearings.

GROWTH AND EXPANSION OF THE DISTRICT OF COLUMBIA

(Mr. HYDE asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HYDE. Mr. Speaker, I have recently introduced House Concurrent Resolution 128, which provides for the establishment of a joint congressional committee to investigate matters pertaining to the growth and expansion of the District of Columbia and its metropolitan area.

This investigation and study is of utmost importance because it involves one of the most serious crises facing America today.

This is borne out by an article appearing in the February 1957 issue of the

pamphlet *Looking Ahead*, published by the National Planning Association. This article is an NPA joint statement calling for a 10-year program for metropolitan areas which says in part:

The urban centers of the United States are becoming obsolete in many ways. Traffic strangulation; spreading slums; bankrupt mass transportation systems; inadequate schools, parks, hospitals, water supplies, and sewers; air pollution; the flight to the unprepared suburbs; and aggravated social frictions are symptoms of a developing situation of dramatic seriousness to the welfare of the American people. * * *

The situation calls urgently for vigorous action, action which can be based only on new lines of metropolitan planning, jointly undertaken by government, business, labor, and the urban and suburban populations.

This Nation can well afford to modernize present urban centers and metropolitan complexes, indeed to create entirely new cities. In fact, the Nation cannot afford not to make this necessary investment in its urban centers. Outlays now for city modernization would pay huge dividends, not only in better living for the American people, but in raising national productivity and greatly strengthening our national security. Effective modernization of our cities cannot be carried out without sizing up the requirements in advance and making comprehensive and balanced development programs and plans. * * *

The National Planning Association believes that a thorough review of current urban renewal and housing development programs will show that much more can and will be done through private investment provided the multiplicity of regulatory and approving agencies is eliminated, the unnecessary hurdles to action are removed, a place is made, where appropriate, for a fair profit, and basic development plans are adopted which command confidence. * * *

If Americans continue to stumble into future developments in and around the rapidly expanding metropolitan areas on the basis of thousands of separate and unrelated private development schemes and local plans, and if they deal separately with highways, with schools, with housing, and with hospitals, they are likely to misdirect their efforts and waste their time and resources. And what happens to the future requirements for open spaces and recreation, or any other need which happens not to be powerfully represented by an interest group at a given moment of decision?

The answer to the last question in the above quotation is, of course, that future requirements for open spaces and recreation will be lost or will have to be acquired at prohibitive costs.

This whole problem is certainly a subject of major national importance into which this Congress should take a serious look.

LEGISLATIVE PROGRAM FOR THIS WEEK

(Mr. ARENDS asked and was granted permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ARENDS. Mr. Speaker, I take this time to ask the majority leader if there is any change in the program which he cares to announce.

Mr. MCCORMACK. The program is that if the Rules Committee should bring out a rule making in order consideration of the House resolution reported from the Appropriations Committee on Friday,

that would be the first order of business, to be followed by the general Government matters appropriation bill, and then further consideration of the corn minimum acreage allotment bill.

Mr. ARENDS. I thank the gentleman.

EXTENSION OF REMARKS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that after all other special orders heretofore entered today the gentleman from Michigan [Mr. DINGELL] may extend his remarks in the body of the Record.

The SPEAKER. Is there objection?

There was no objection.

QUESTION OF PERSONAL PRIVILEGE

The SPEAKER. For what purpose does the gentleman from Ohio rise?

Mr. BOW. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state it.

Mr. BOW. Mr. Speaker, I rise to a question of personal privilege in that the Washington Evening Star of Wednesday, March 6, and other newspapers in this area, published statements of Dr. T. Edward Rutter, superintendent of schools of Arlington County, Va., that my remarks in the House on March 5 were "an outright lie," which widely published statements adversely affect the rights, the reputation, and the integrity of his representative capacity of the Member from the 16th Congressional District of Ohio. The statements appearing in the Star read:

Mr. Rutter said Mr. Bow's statement is a "wholly false impression" and declared that one of the "luxuries" listed by the Congressman—a \$1,500 harp—"is an outright lie."

"This was requested by one of the schools, but was cut out of the budget by the supervisors before it even reached my desk. It is an outright lie to say that it is in our budget," Mr. Rutter said.

The SPEAKER. In the opinion of the Chair the gentleman has stated a question of personal privilege.

The gentleman is recognized.

Mr. BOW. Mr. Speaker, last week I called attention in the House to the fact that the chairman of the Arlington County School Board, Dr. L. Clark Keating, had announced in a reputable Washington newspaper that he would not reveal details of the proposed Arlington County school budget for the coming school year.

Inasmuch as the budget of Arlington County includes a sizable donation from the Federal Government, including money collected in taxes from the citizens of my own congressional district, I obtained a copy of the proposed budget, which I have here today, and revealed certain of the items contained therein.

I did so dispassionately and with no intention other than pointing out that the Arlington school budget was being hidden by secrecy, that it contained items which appeared to me to be extravagant, and that my experience on the Committee on Appropriations had shown that secret budgets usually are so classified because there is something to hide.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: House rejected corn bill. House passed general Government matters appropriation bill. House committee reported resolution providing funds for Agriculture Committee investigations. Rep. McCarthy introduced and discussed bill to provide more effective Congressional control of budget.

HOUSE

1. CORN. Rejected, 188 to 217, H.R. 4901, to establish a minimum acreage allotment for corn and to provide acreage reserve programs for diverted acres and for feed grains. (pp. 3163-84, 3188-89)

Agreed to the following amendments:

By Rep. Harrison, Nebr., 174 to 155, to substitute the language of his bill (H.R. 4555) for that of H.R. 4901, and providing that corn producers in the commercial corn area may qualify for price support on corn and participate in the soil-bank program by complying with either of the alternatives presented to them in the Dec. 11, 1956 corn referendum. pp. 3163-84

By Rep. Reuss, to the Harrison substitute amendment, to provide that eligibility of any producers to receive payments under the programs provided in the Agricultural Act of 1956, as amended, shall be limited to \$5,000 in any 1 year. p. 3181

Rejected the following amendments:

By Rep. Cooley, 141 to 167, to substitute the language of the USDA legislative proposal on corn for the Harrison substitute amendment. pp. 3163-81

By Rep. Poage, 139 to 159, to amend the Harrison substitute amendment to provide that diverted acreage outside of the commercial corn area (acreage diverted from cotton, wheat, rice, or tobacco) which have been in feed grains, can be placed in the soil bank. Also rejected, 141 to 168, his same amendment to the Cooley substitute amendment. pp. 3168-81

By Rep. Knutson, as a substitute for the Harrison substitute amendment, to provide price supports for corn in the commercial corn-producing area at \$1.60 per bushel, and to establish a 51 million-acre acreage allotment for corn in the commercial area, with 15% to be placed in the soil bank to qualify for price supports. pp. 3181-82

A motion by Rep. Morano to recommit the bill to the Agriculture Committee was rejected 168 to 237. pp. 3182-83

2. APPROPRIATIONS. Passed without amendment H.R. 5788, the general government matters appropriation bill. pp. 3158-63
3. POULTRY INSPECTION. Rep. Sullivan spoke in favor of legislation for the compulsory inspection of poultry. pp. 3184-85
4. COTTON IMPORTS. Rep. Boggs discussed the imports of cotton textiles to the U. S. and urged that the new Japanese-U. S. agreement relative to cotton imports be given an opportunity to work. pp. 3185-88
5. HOUSING. Rep. Patman discussed the decline in housing construction, and inserted his statement before the Banking and Currency Committee on the situation. pp. 3193-96
6. STOCKPILING. Received from the Office of Defense Mobilization the semi-annual statistical supplement-stockpile report. p. 3196
7. ELECTRIFICATION; IRRIGATION. Received an Interior Department report on lands within Indian reservations valuable for power or reservoir sites or necessary for use in connection with irrigation projects. p. 3197
Received a N. Dak. Legislature memorial supporting the establishment of the Garrison diversion unit, Mo. River Basin project. p. 3198
8. AGRICULTURE INVESTIGATIONS. The House Administration Committee ordered reported with amendment H. Res. 163, to provide \$50,000 for the expenses of the studies and investigations of the Agriculture Committee. p. D196
9. CREDIT POLICIES. The Rules Committee ordered reported H. Res. 85, to authorize the Banking and Currency Committee to investigate the monetary and credit structure of the U. S. p. D196

ITEMS IN APPENDIX

10. FOREIGN TRADE. Rep. McCarthy inserted an address by Rep. Boggs before the Mississippi Valley World Trade Conference, in which it was asserted "our foreign trade policy has reached a crossroads," and fewer trade restrictions were urged. pp. A2007-9
11. BUDGET. Rep. Norrell inserted David Lawrence's column, "Who Determines the Budget? -- President, Congress Formalize Figure, But Public Really Sets Spending Rate," commended it to the House. pp. A2009-10
Rep. Fascell inserted a newspaper editorial by John S. Knight, about differences of opinion with the President, in which the Budget is called an inflationary factor and Congress urged to cut it. pp. A2010-11
Rep. Curtis inserted an editorial, "Refusing a Passed Buck," criticizing Congress for efforts to adopt a mandatory budget ceiling instead of cutting the proposals item-by-item. Rep. Curtis added that it was the spenders who were passing meaningless resolutions without program cuts. p. A2015

natorial nomination for Governor of Pennsylvania. I would like to suggest, though, to my good and able friend from Minnesota whom I greatly admire, that you take him back to Minnesota where he rightfully belongs.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted, etc., That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, namely.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word and ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

TITLE I

EXECUTIVE OFFICE OF THE PRESIDENT Compensation of the President

For compensation of the President, including an expense allowance at the rate of \$50,000 per annum as authorized by the act of January 19, 1949 (3 U. S. C. 102), \$150,000.

Mr. ANDREWS. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to points of order and amendments at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The CHAIRMAN. Are there any points of order? Are there any amendments?

Mr. ANDREWS. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PRICE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 5788) making appropriations for the Executive Office of the President and sundry general Government agencies for the fiscal year ending June 30, 1958, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. ANDREWS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

LOCAL MANAGEMENT OF SAVINGS AND LOAN ASSOCIATIONS

Mr. TRIMBLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 196, Rept. No. 193), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4135) to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies. After general debate, which shall be confined to the bill and continue not to exceed 1 hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. H. CARL ANDERSEN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently no quorum is present.

Mr. COOLEY. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 21]

Allen, Calif.	Gross	Mailliard
Bailey	Gubser	Metcalf
Bolton	Hébert	Morrison
Bowler	Holland	Moulder
Boykin	Holt	Powell
Celler	Holtzman	Prouty
Dies	Hosmer	Riley
Diggs	Jackson	St. George
Eberharter	Kearney	Scherer
Flynt	Lankford	Siler
Green, Pa.	McConnell	Teague, Tex.

The SPEAKER. On this rollcall 394 Members have answered to their names, a quorum.

By unanimous consent further proceedings under the call were dispensed with.

CORN AND FEED GRAIN PROGRAM

Mr. COOLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage-reserve programs for diverted acres and for feed grains, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 4901, with Mr. HAYS of Arkansas in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Thursday last there was pending an amendment offered by the gentleman from Nebraska [Mr. HARRISON]. Without objection the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. HARRISON of Nebraska: Strike out all after the enacting clause and insert in lieu thereof the following: "That notwithstanding any other provision of law, section 103 of the Agricultural Act of 1956 (Public Law 540, 84th Cong.) is amended by adding a new subsection (c), as follows:

"(c) For the 1957 crop year, corn producers in the commercial corn area may qualify for price support on corn and participate in the soil-bank program by complying, in accordance with regulations issued by the Secretary of Agriculture, with either of the alternatives presented to producers in the corn referendum dated December 11, 1956, pursuant to the provision of the Agricultural Act of 1956 (Public Law 540, 84th Cong.)."

Mr. H. CARL ANDERSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. Mr. Chairman, when will it be in order for a Member to offer a substitute for the Harrison amendment?

The CHAIRMAN. It will be in order when any Member is recognized for the purpose of offering a substitute.

Mr. COOLEY. Mr. Chairman, I offer a substitute for the Harrison amendment.

The Clerk read as follows:

Amendment offered by Mr. COOLEY as a substitute for the amendment offered by Mr. HARRISON of Nebraska: Strike out all after the enacting clause of H. R. 4901 and insert:

"That notwithstanding any other provision of law—

"(1) Base acreages (based on a total base acreage for the commercial corn-producing area of 51 million acres) shall be established for corn as provided in section 103 (b) (1) of the Agricultural Act of 1956 for 1957 and for each subsequent year for which an acreage reserve program is in effect for corn;

"(2) Acreage allotments shall not be in effect for the 1957 and subsequent crops of corn; and

"(3) Subject to subsections (a) and (d) of section 308 of such act, price support shall be made available by Commodity Credit Corporation for the 1957 and subsequent crops of corn at such level as the Secretary determines, taking into consideration the assistance necessary to aid producers in marketing corn in the normal channels of trade but not encourage the uneconomic production of corn, and the factors set forth in section 401 (b) of the Agricultural Act of 1949, as amended: *Provided*, That the level of price support for any crop of corn for which an acreage reserve program is in effect shall not be less than 70 or more than 90 percent of the parity price therefor."

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, as I understand it, when a substitute is pending in the form of the Harrison amendment and the amendment offered by the gentleman from North Carolina is a substitute for the pending amendment, I am unaware of the fact that you could have two substitutes pending at the same time.

The CHAIRMAN. The Chair will advise the gentleman that an amendment is pending and there is a substitute to the pending amendment. That is the present situation. The gentleman from North Carolina has offered an amendment in the form of a substitute for the amendment offered by the gentleman from Nebraska.

Mr. AUGUST H. ANDRESEN. That would mean two substitutes pending at the same time because the gentleman from Nebraska offered a substitute for the committee bill.

The CHAIRMAN. The Chair believes that the gentleman from Minnesota is under a false impression about the amendment offered by the gentleman from Nebraska. That is an original amendment to strike out and insert material.

Mr. AUGUST H. ANDRESEN. I defer to the Chair's ruling.

The CHAIRMAN. The Chair believes the gentleman from Minnesota does not understand the nature of the amendment offered by the gentleman from Nebraska.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I may say that I do not want to preclude the chairman of the Committee on Agriculture from offering his amendment. I just wanted to have the situation noted.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized.

Mr. COOLEY. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I do not know whether or not the Members of the House recognize this document which I am now presenting for your consideration.

Mr. Chairman, the history of this legislation is somewhat unusual. We are told that there is an emergency existing in the corn-growing areas of the country, and that I do not doubt. Our committee was authorized in the last session of the Congress to conduct hearings, make studies and investigations, and we were ready, eager, and willing at all times to consider matters of importance to agriculture. The President spoke in January, and his only reference to the problems of agriculture was to say in effect that agriculture was all right; that he would have something further to say about corn in his budget message, or about agriculture in his budget message, and when the budget message came he spoke only about corn. Our committee was ready to start con-

sideration of any recommendations which might be forthcoming from the Department of Agriculture.

Finally, an executive communication came from Secretary Benson to the Speaker of the House, and I am sure to the Vice President of the United States, and the Speaker transmitted the Secretary's letter, together with the draft of a bill, to me as chairman of the House Committee on Agriculture. I think within 2 days after the committee was officially organized we started consideration of corn legislation.

I introduced this amendment for the purpose of affording the membership of this House an opportunity to accord a degree of courtesy to the Secretary of Agriculture, who drafted this bill. If you want to know what I have offered, I have offered the bill of the Eisenhower administration. No other Member of this House was willing to become the author of this measure, although I shopped around with it for 2 or 3 weeks and I said, "Here is a communication from the Secretary of Agriculture, enclosing the draft of corn legislation. Is there anyone on the committee who wishes to offer the bill?" No one offered it. Now that the gentleman from Nebraska [Mr. HARRISON] has offered a very monstrous sort of a proposal; I feel thoroughly justified in offering Mr. Benson's proposal, which, I say to you, is far more acceptable, far more worthy, far more understanding than the proposal submitted here by my friend, the gentleman from Nebraska [Mr. HARRISON].

Mr. HOEVEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Iowa.

Mr. HOEVEN. May I ask my distinguished chairman whether or not he will support this amendment?

Mr. COOLEY. I expect to support it, and I urge the membership of this House to vote for it, and I want to know what you think about the handiwork and the draftmanship and the philosophy of Mr. Benson. You know that I do not agree with him. You know that I do not want to do the things which Mr. Benson wants to do. I assume that the gentleman who is now addressing the chair likewise is not in accord with Mr. Benson's views, but I say to you in all sincerity that I would much prefer to have Mr. Benson's proposal than to have this monstrosity which is now before the House, and I say this in all friendliness to the author of the proposal.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. Yes.

Mr. HOEVEN. Will the gentleman vote for the bill if his amendment is adopted?

Mr. COOLEY. If this amendment is adopted?

Mr. HOEVEN. Yes.

Mr. COOLEY. To the Harrison bill?

Mr. HOEVEN. Yes. It is a substitute, as I understand.

Mr. COOLEY. Yes, it will be a substitute for the Harrison bill. If this amendment is adopted, I think I would be inclined to vote for it, only in the

hope that in conference we could perfect it and make it workable and acceptable. I know you do not want the 70-percent provision in here. I know that you do not want a lot of the things that are in here, but if this is adopted, we can work it out in conference.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. You say that the gentleman from Iowa does not want the 70-percent provision in here. I ask you if the Harrison bill has a 70-percent floor under it.

Mr. COOLEY. No.

Mr. POAGE. Of course not.

Mr. COOLEY. Not only that, but I want to say now in all frankness and friendliness to my distinguished and beloved friend, the gentleman from Nebraska [Mr. HARRISON], I hope that he will be able to explain his proposal to the House. It refers to the laws of 1938; it refers to the laws of 1949; it refers to the rules and regulations of the Department of Agriculture issued prior to a referendum, which are not incorporated in the bill the gentleman has proposed. The only way that the House can understand this measure is to read a codification of all the laws referred to in the gentleman's amendment.

Mr. HOEVEN. Mr. Chairman, will the gentleman yield further?

Mr. COOLEY. I yield.

Mr. HOEVEN. May I ask the chairman of the committee this question: This relates only to corn and does not pertain to other basic commodities or feed grains; is that correct?

Mr. COOLEY. That is my understanding.

Mr. HOEVEN. Does the substitute apply to the year 1957?

Mr. COOLEY. Yes, sir. These are exactly the words of Mr. Benson, just as he drafted them.

Mr. HARVEY. Mr. Chairman, would the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. HARVEY. I have a question I would like to ask the Chairman and it has a great deal of import. I note that the amendment offered by the gentleman would do away in 1957 with corn allotments. This bill was drafted, as the gentleman knows, some time ago. What was the date, if the gentleman knows?

Mr. COOLEY. Back in January, I believe.

Mr. ABERNETHY. If the gentleman would yield to me, it was submitted by departmental letter on January 28. We received it on the 30th.

Mr. HARVEY. The point that I am making and the question I have in mind is this: This would have the effect, if I read it correctly, of doing away with acreage allotments for 1957.

Mr. COOLEY. Permanently.

Mr. HARVEY. Yes. And the allotment sign-up has been completed. We have a very sizable sign-up. I believe the report is approximately 4 million acres have been signed up for the soil bank on the basis of this sign-up that

has been concluded, between the time when this bill of the Secretary's was offered and now when we are considering it. So the question I want to ask the chairman is: What would be the effect of this bill if it were approved on the contracts that have already been signed and concluded?

Mr. COOLEY. I would not want to affect adversely or modify or change the contracts which have been made and I do not know that this proposal would do that.

Mr. HARVEY. I believe it would.

Mr. COOLEY. After all, bear in mind, this is not my draftsmanship. These are the words of the Secretary of Agriculture.

Mr. HARVEY. I understand.

Mr. COOLEY. Permit me to make one other observation about the Harrison amendment. The date for signing up corn in the soil bank is past and the Harrison amendment does not even propose to reopen the sign-up date. It does not authorize nor does it direct the Secretary to carry on a program, whereas the proposal of the committee does authorize and does direct the Secretary to carry on a program and to reopen the sign-up date.

Mr. Chairman, before I take my seat I should like to say this: Over the week-end we did exactly what Members of the House wanted us to do. I was called out of the city on an emergency. The gentleman from Texas [Mr. POAGE] stayed here and worked Friday, Saturday, and Monday in an effort to compose differences and agree on a bill. He will tell you what degree of cooperation he received and the attitude that he met with. He has worked out—I do not mean to say that he has, but members of the committee have worked out an amendment which the gentleman from Texas [Mr. POAGE] will propose to the committee bill. If this amendment I am now proposing is defeated and the amendment of the gentleman from Nebraska [Mr. HARRISON] is defeated, we can then have the amendment of the gentleman from Texas [Mr. POAGE], which I think will be acceptable to the membership of the House. It takes care of every objection that was made here the other day. They talked about the enormous cost of the program, and all of us were frank to say we did not know what it would cost.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

(Mr. COOLEY asked and was given permission to proceed for 3 additional minutes.)

Mr. COOLEY. Under the Poage amendment, you now know exactly what it is going to cost, and it is very substantially below the figures we were talking about the other day.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Indiana.

Mr. HALLECK. The gentleman has offered an amendment to a pending amendment. The vote first would come on the substitute the gentleman has offered as against the Harrison substitute.

Mr. COOLEY. Right.

Mr. HALLECK. Did I correctly understand the gentleman to say that if the substitute he is presently offering prevails in the Committee of the Whole against the Harrison substitute, he is then prepared to vote for the Harrison substitute as amended by his own substitute as against the committee bill?

Mr. COOLEY. No. I said on final passage if we come out with nothing other than Mr. Benson's bill, I think now I would vote for it.

Mr. HALLECK. That is what I want to be sure about, because I think there was some misunderstanding here. As the gentleman spoke originally, it meant to me that if his substitute to the substitute prevailed, he would vote for the amendment to the committee bill.

Mr. COOLEY. No.

Mr. HALLECK. But even if the gentleman's substitute to the substitute prevails, he would still vote against the amendment as amended; that is, the substitute as amended?

Mr. COOLEY. To make it clear, I prefer Mr. Benson's proposal to the Harrison proposal. I prefer Mr. POAGE's proposal to all of them, even including the committee bill, because I can see the weaknesses in the committee draft. The first thing is the enormous cost of it, the unknown cost. With the Poage amendment to the committee bill, I would prefer that to any of these others. I am honestly and sincerely trying to get a bill.

Mr. HALLECK. I appreciate that, and a lot of us are trying to do the same thing. We have been deeply concerned as we have been debating this measure as to whether or not we are going to get a bill that we could support and that could become law. If the gentleman were prepared to go the full length with his substitute on to passage, as I thought I heard him say, then go on to conference and try to work out a bill, I would be inclined to believe we could wind this up very quickly. However, as I understand it, that is not the gentleman's attitude.

Mr. COOLEY. No. I would prefer the committee bill as it will be amended by the Poage amendment, but if worse comes to worst and we have to take Mr. Benson's proposal, I would much prefer that to Mr. HARRISON's proposal, and we could go to conference and fix the bill up so that it would be acceptable.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Minnesota.

Mr. JUDD. Is my understanding correct that if the amendment the gentleman has just offered as a substitute for the Harrison amendment is accepted by the House, the gentleman then wants to go ahead and offer in addition the new Poage amendment?

Mr. COOLEY. The gentleman from Texas will offer an amendment. If that is defeated we will end up with the Benson proposal, and I much prefer that.

Mr. JUDD. Will not the Poage amendment to a considerable degree in effect be a substitute for the amendment the gentleman is offering right now?

Mr. COOLEY. No.

Mr. JUDD. In a way it overrules his amendment, does it not?

Mr. COOLEY. No. The Poage amendment would be an amendment to the committee bill. I hope the Committee will hear the gentleman from Texas patiently in order to understand what he proposes to do. I have never known anybody to work more diligently and more sincerely than the gentleman has over this weekend.

Mr. JUDD. Is not the Poage amendment in effect a substitute which would then take the place of the substitute the gentleman has offered?

Mr. COOLEY. Yes.

Mr. JUDD. That is my point. The gentleman offers this now hoping to kill the Harrison bill; then he wants to throw his amendment out with the new Poage substitute.

Mr. COOLEY. I think the gentleman has sized it up exactly right.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

(By unanimous consent, at the request of Mr. HOFFMAN, Mr. COOLEY was permitted to proceed for 2 additional minutes.)

Mr. HOFFMAN. Perhaps I should not ask this, but it is for guidance for a very confused and dismayed Member from the Fourth Congressional District of Michigan. Assuming that one is opposed to subsidies but realizes we are going to have them, how should he vote on the gentleman's amendment, and, if that is defeated, on the Harrison amendment, and then finally on the Poage amendment, to get the least—what the Member considers—evil out of it?

Mr. COOLEY. In answer to that question, if you are against subsidies, of course, you will vote against the bill on final passage, because there is definitely a subsidy here.

Mr. HOFFMAN. Suppose I want to hedge a little on political support.

Mr. COOLEY. If you want to minimize it, you will vote for the Poage amendment, because he has a definite, fixed limitation beyond which the President and the Secretary cannot go.

Mr. HOFFMAN. I thank the gentleman.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. ARENDS. I hope that we can be brutally frank here, because we all want to pass a bill because we are all interested in the welfare of agriculture. If I understand the gentleman's position, he intends to put through his amendment to the Harrison amendment, then in case that carries he will support in turn the Poage amendment, which will eventually kill the amendment which he now supports? I am trying to get information. I am lost a little bit as to what you are going to do.

Mr. COOLEY. The gentleman is right up to that point. Let us go one step further. Suppose my amendment is adopted now.

Mr. ARENDS. Your amendment to the Harrison amendment?

Mr. COOLEY. Yes; suppose that is adopted now. Then the Poage amend-

ment is offered to my amendment and the Poage amendment is defeated, then we will have only the Benson bill.

Mr. ARENDS. Assuming that the gentleman helps the Poage amendment and turns around and supports the Poage amendment after supporting your own amendment, then we again go right back to where we were formerly.

Mr. COOLEY. No; if we adopt the Poage amendment, we will have a far better bill than either the Benson proposal or the proposal as contained in the Harrison bill.

Mr. ARENDS. Why is not the Poage proposal up here now instead of your proposal because all you are going to do is to wash out the Harrison bill by that procedure. I think I am right—I do not know.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. POAGE. The amendment which I propose to offer, if I have an opportunity to do so at a later time, will not affect section 1 but will leave it as written by the gentleman from Nebraska, if his amendment does not carry or as written by the Secretary if this amendment does carry. It will not change one word in section 1 so it will not wipe out the work that is about to be done now, and, in fact, will in no wise change section 1.

Mr. ARENDS. But your bill continues to be all inclusive in regard to feed grains.

Mr. COOLEY. There are some modifications.

Mr. POAGE. The amendment I expect to offer, if I have an opportunity to do so, will simply add a section 2 which will make provision for placing diverted grains in other sections of the United States in the soil bank as well as within the three I's—Iowa, Illinois, and Indiana.

Mr. HARVEY. Mr. Chairman, I offer an amendment to the Cooley substitute. The Clerk read as follows:

Amendment offered by Mr. HARVEY to the substitute amendment offered by Mr. COOLEY: In section 3 after the words "Commodity Credit Corporation", strike the words "the 1957 and."

Mr. COOLEY. Mr. Chairman, permit me to make a point order on the ground, if I heard the Clerk correctly, the amendment refers to section 3 and I just wonder if there is any section 3 in the bill. I will reserve the point of order if the gentleman wishes.

The CHAIRMAN. The Clerk will again report the amendment offered by the gentleman from Indiana.

The Clerk again reported the amendment.

Mr. COOLEY. Mr. Chairman, inasmuch as there is a paragraph which is No. 3, I suppose the point of order would not lie.

The CHAIRMAN. The gentleman from North Carolina withdraws the point of order.

Mr. HARVEY. Mr. Chairman, this amendment does the very thing that was brought out in the colloquy just had between the gentleman from North Carolina [Mr. COOLEY] and me. It would have the effect of removing that phase of

the Cooley proposal which would outlaw the 1957 corn acreage signup, just concluded. If we are going to consider this Cooley proposal in good faith, and I believe we should, we certainly do not want to be in the position of supporting this bill without my amendment.

The farmers have signed up some 4 million soil-bank acres, as I understand it. I do not think the total figures have been confirmed yet, but it is an excellent signup. In fact, it is much better than was anticipated. It is obvious to me, as I am sure it must be to most of you, if this provision for 1957 were left in, it would have a demoralizing effect throughout the Corn Belt. I am sure the gentleman from North Carolina [Mr. COOLEY] did not intend to do so in presenting his amendment. The mere fact that it was presented in the terms of the Secretary's own language is very easily explained, it is due to the fact that his suggestion was offered almost 2 months ago. So I hope the amendment will be accepted by the chairman, for it is certainly offered in good faith.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. COOLEY. Will the gentleman explain just what the situation would be in the event his amendment should be adopted?

Mr. HARVEY. All the provisions of that section now would apply to any subsequent crop. It would not negate the signup that has presently been carried out in the Corn Belt.

Mr. COOLEY. What makes the gentleman think that would be the effect of the amendment, when it strikes out 1957?

Mr. HARVEY. As I read your amendment, it does away with allotments for 1957, and certainly allotments are in effect. The farmers have signed up in good faith on the basis of the 37 million allotment figure. If I am any reader at all, I know that the effect would be to outlaw those contracts that have been entered into throughout the Corn Belt, in good faith.

Mr. COOLEY. Certainly the Secretary of Agriculture had no intention of outlawing the contracts at the time he had this amendment prepared.

Mr. HARVEY. That is right, but the signup had not even commenced at that time.

Mr. COOLEY. Oh, yes; quite a few had already been signed up at that time. It seems to me you are taking away from the Secretary the right to make any allotment with reference to the 1957 crop.

Mr. HARVEY. Oh, no. If you leave the language in there, you would destroy all of the contracts that are presently in existence.

Mr. COOLEY. The effect of your amendment is to do away with price supports. That is the price-support section you are attempting to amend.

Mr. HARVEY. I do not think it would have that effect at all.

Mr. COOLEY. It says:

Price supports shall be made available by Commodity Credit Corporation for 1957.

You are striking that out.

Mr. HARVEY. Now let us look at this.

Paragraph 3 is the paragraph to which I am referring. The amendment that I have offered would make the paragraph read like this:

Subject to subsections A and B of section 308 of such act, price supports shall be made available by the Commodity Credit Corporation for subsequent crops of corn.

Mr. COOLEY. But the effect of that would do away with price supports for 1957, and I know you do not want to do that.

Mr. HARVEY. I cannot see how it would. You have outlawed price support for corn for 1957.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. JENSEN. I want to ask the gentleman and also the gentleman from North Carolina [Mr. COOLEY] if the substitute offered by Mr. COOLEY is amended and this language included, "No existing contracts are hereby nullified by this provision," will that not solve the problem which the gentleman from Indiana [Mr. HARVEY] seeks to solve by his amendment?

Mr. COOLEY. Or some provision to the effect that 1957 contracts shall be in no way affected.

Mr. JENSEN. That is right.

Mr. COOLEY. I am not accepting any amendment to Mr. Benson's proposal. I want the House to vote on it just as he drafted it.

Mr. HARVEY. I offered it in good faith.

Mr. JENSEN. I can see the point of view of the gentleman from Indiana, and I appreciate it. He does not want to take any chance of having these contracts already in existence nullified by this provision, I may say to the gentleman from North Carolina. Why does not the gentleman from North Carolina just amend his substitute saying in effect that in no sense does the language of this substitute affect contracts now in existence for 1957?

Mr. COOLEY. If the gentleman from Indiana will yield.

Mr. HARVEY. I yield.

Mr. COOLEY. If the gentleman from Indiana will listen, this is a provision for price support for corn in 1957. The language is clear and unambiguous. If the gentleman strikes out the later date he is going to take it out of the price support section.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(On request of Mr. ABERNETHY and by unanimous consent, Mr. HARVEY was allowed to proceed for 3 additional minutes.)

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Will not the gentleman yield to me first that I may conclude what I was saying about the effect of his amendment.

Mr. HARVEY. I yield to the gentleman.

Mr. COOLEY. It is not the gentleman's intention I am sure to take corn out of the price support program for 1957.

Mr. HARVEY. Certainly not, but I cannot agree with the gentleman's deduction that that would be the effect. I do not believe it would have the effect of taking corn out of price support for 1957; rather, to the contrary, it would have the effect of preserving the program as already signed up by the farmers for 1957.

Mr. COOLEY. What preference did the Secretary have in mind when he put that language in here?

Mr. HARVEY. It was before the sign-up was in effect. It is one thing to affect the nature of a contract before it has been concluded; it is another thing to affect the contract after the sign-up date and the contract has been signed.

Mr. COOLEY. The Secretary now recommends that the acreage allotment be removed permanently and that a price-support program be set for corn for 1957 as set forth in the section the gentleman's amendment would strike out.

Mr. HARVEY. But the growers have already signed up on the program.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I think I am in entire sympathy with what the gentleman is trying to do, but I think his amendment will not do what he is trying to do; in fact, I think if he leaves the language as it is he will get exactly what he is attempting to do by striking out the language.

Let me read the gentleman the language:

SUBSEC. 3. Subject to subsections (a) and (e) of section 308 of such act—

What are they talking about? Price support.

Mr. HARVEY. That is right.

Mr. ABERNETHY. Price support shall be made available for 1957 and subsequent crops.

Now, if the gentleman's amendment prevails it would strike out the date "1957" and the RECORD would very clearly show that this House struck out the year "1957." The only way the Solicitor for the Department could interpret that would be that this House did not intend for price supports to apply to the 1957 crop. We would have made legislative history here and a legislative record which would tie the hands of the Secretary in supporting corn in 1957.

Mr. HARVEY. The gentleman is a very able lawyer.

Mr. ABERNETHY. No; I am only a country lawyer.

Mr. HARVEY. But I am not. If the gentleman has better wording to offer than I, I shall be happy to have him suggest it.

Mr. ABERNETHY. This is one time I am going to agree with Secretary Benson's language. His language is very unusual, but I think it is consistent.

Mr. HARVEY. I think the gentleman is being facetious.

Mr. ABERNETHY. Not now.

Mr. COOLEY. Mr. Chairman, if the gentleman will yield, all of us understand that the gentleman does not want to deprive the corn growers of price support for 1957. I certainly do not want to

deprive them of any support program, and I do not think the Secretary of Agriculture does. He has already announced the 1957 program and he certainly is not going to break faith with the farmers by lowering prices.

The CHAIRMAN. The time of the gentleman from Indiana has again expired.

(By unanimous consent Mr. HARVEY was allowed to proceed for 2 additional minutes.)

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. ARENDS. I still am confused in my thinking. I was hoping that the House would adopt the amendment offered by the gentleman from North Carolina, that it would be perfected and that we would forgo any more substitutes, and so on and so forth. If we could get that kind of an agreement I do not see why we cannot proceed. I think we are all in agreement as to what the ultimate result is going to be but no one knows which way to turn at this time.

Mr. COOLEY. I have not confused the gentleman. I had the Clerk read Mr. Benson's corn bill. I said it is not perfect.

Mr. ARENDS. Which I would be glad to agree to, I may say to the gentleman, but I am confused as to why you want to knock it out by indirection.

Mr. COOLEY. I think when the gentleman understands the amendment to be offered by the gentleman from Texas, he will prefer that to either of these other ideas.

Mr. ARENDS. Is Mr. POAGE's bill confined to seed grains?

Mr. COOLEY. Yes, with some modifications.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Iowa.

Mr. JENSEN. The gentleman is attempting to protect the farmers who are already signed up in the soil bank to the extent of 3½ to 4 million acres. If the gentleman would withdraw his amendment I think we can resolve this matter very quickly, then request that the Chairman of the Committee, the gentleman from North Carolina [Mr. COOLEY], insert language in his substitute to the effect that the contracts already signed up shall not be affected by the provisions of his substitute. Cannot the gentleman do that?

Mr. COOLEY. I certainly do not think it is necessary to do that. The gentleman from Indiana [Mr. HARVEY] is the author of the amendment.

Mr. JENSEN. The gentleman from Indiana [Mr. HARVEY] thinks it is.

Mr. COOLEY. The gentleman from Indiana [Mr. HARVEY] does not want to interfere with the 1957 contracts and I certainly have no desire to interfere with them. I do not believe that Mr. Benson can interfere with them or would interfere with them.

Mr. JENSEN. What harm would there be to so stating in plain words in the gentleman's amendment that in no sense shall this provision interfere, can-

cel out or abrogate contracts that are now in existence?

Mr. HARVEY. My amendment, in light of the debate just had, will do exactly what we want it to do. I do not think it has the effect of doing what the gentleman from North Carolina [Mr. COOLEY] thinks it will do. I hope the Committee will concur in this amendment. I certainly believe there is an earnest desire on the part of all Members of the House to produce a good bill.

Mr. POAGE. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I think this amendment shows us very clearly the utter folly of the attitude of those who have said that "you must pass my bill without any amendment." I think it shows us very clearly the utter folly of the stiff-neck attitude we have observed in the committee day after day and day after day in refusing to make any kind of compromise or if a compromise is offered, then phoning up and saying, "I cannot go through with it." I do want to say that certain minority members of the committee did try to make a compromise but they were hushed up in a hurry, and they cannot proceed on their own.

Some of those who have proposed substitutes apparently do not know what they have offered, and I say that in all kindness. I ask now if I do not correctly state the situation when I say that the Harrison amendment as it now stands would allow the planting of 51 million acres of corn, and putting an additional 7,650,000 acres in the conservation reserve, on which the farmer could receive payments, making a total of 58,650,000 acres in the commercial Corn Belt, either planted or paid for, which is more corn than was ever grown in the commercial Corn Belt? I ask the gentleman from Nebraska [Mr. HARRISON] if I am not telling the truth.

Mr. HARRISON of Nebraska. Will the gentleman yield?

Mr. POAGE. Of course I yield to the gentleman.

Mr. HARRISON of Nebraska. I have never known the gentleman to tell anything but the truth.

Mr. POAGE. I am asking the gentleman if I am not giving you a correct interpretation of the bill that the gentleman has before us.

Mr. HARRISON of Nebraska. Those are big figures. I wish the gentleman would state them again.

Mr. POAGE. I stated that as your amendment now stands, it would allow theoretically 51 million acres of corn to be planted, 7,650,000 acres to be put in the conservation reserve, making a total of 58,650,000 acres. That is right, is it not?

Mr. HARRISON of Nebraska. I think those figures are correct, but I do not know what you are attempting to prove by it.

Mr. POAGE. You do not know what I am attempting to prove by it? I am just asking you about the facts. Now I will ask the gentleman from Ohio [Mr. POLK] if that is not the fact. He offered the same bill.

Mr. POLK. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Ohio.

Mr. POLK. As I understand the gentleman from Texas, the figure he uses includes all the corn.

Mr. POAGE. No. It includes commercial corn only.

Mr. POLK. It is ridiculous to assume that all of the corn is going into the soil bank.

Mr. POAGE. I have not for one moment said that it all would. I ask you if it does not allow it. That is right, is it not?

Mr. POLK. If all the corn was signed up and put in the soil bank, then the figures you gave are correct, I assume.

Mr. POAGE. That is right. And you would have more corn than you ever grew in the Corn Belt.

Mr. POLK. I know that the gentleman in his wisdom knows that will never happen.

Mr. POAGE. I do not think it will happen, either. I never said that it would. But, I am saying that you authored a bill here that would or could, allow farmers to plant or be paid for more corn acres than was ever grown in the commercial Corn Belt. You are offering a bill that will not even guarantee a 75-percent price support, and I ask you to point out if there is anything in the bill that guarantees such a support price.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would just like to give the date of the signup. That was January 28, the very day we received the bill from the Department, which clearly indicates that the Secretary of Agriculture knew what he was doing, and he did not, by this bill propose to have a signup—

Mr. POAGE. Of course, the Secretary knew what he was doing, when he intended to do what we did not intend for him to do. He intended what we did not intend should be done. He intended to break the support price on corn. Even his most enthusiastic apologists would not support him. No Republican has been willing to present his bill. Had it not been for your generosity and courtesy the Secretary's bill would have never had a day in court. But we further understand that we have two monstrosities before us and you cannot explain either one of them. The authors of the Harrison bill cannot explain your own bill; you know you cannot, and you do not know what it will cost. You cannot tell us what it will cost and you cannot tell us at what percent of parity corn would be supported.

Mr. HARVEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Indiana.

Mr. HARVEY. I would just like to say to the gentleman from Texas that I have conferred with Members on both sides of the aisle who are very excellent lawyers, and they have insisted to me that this amendment that I have offered would not have the effect of negating contracts already signed, so I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. COOLEY. Mr. Chairman, will the gentleman now offer his own amendment?

Mr. POAGE. Yes, Mr. Chairman, I now offer an amendment to the Cooley amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE to the substitute offered by Mr. COOLEY: At the end of the pending amendment add the following new section:

"Sec. 2. Section 103 (b) of the Agricultural Act of 1956 is amended to read as follows:

"(b) Notwithstanding any other provision of law, in addition to all other programs authorized by this act, the Secretary is authorized and directed to formulate and carry out an acreage-reserve program for 1957 for acreage diverted from the production of each of the commodities specified in subsection (a) of this section except corn produced in the commercial corn-producing area. Individual farms may participate in such acreage-reserve program for diverted acres up to the lesser of an acreage equal to 18 percent of the farm-acreage allotment or allotments for such commodities (or 1 acre, whichever is greater) or the extent to which such participation results in a reduction of the individual farmer's feed grain acreage. For purposes of this subsection the measure of feed grain acreage on the farm shall be the average acreage planted in the 3 most recent years, adjusted for unusual weather conditions, to the following crops for harvest as grain: Corn produced outside the commercial corn-producing area, wheat produced on farms to which marketing quotas are not applicable, grain sorghums, barley, rye, and oats.

"Compensation under this subsection shall be at the rate per acre of the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn in the county in which the farm is located, but in no event less than \$10 nor more than \$25 per acre. For the purpose of compensating producers for participation in the acreage-reserve program authorized by this subsection, the Secretary shall allocate and make available for such purpose all funds heretofore allocated by him for compensation of producers under the 1957 acreage-reserve programs for wheat, cotton, rice, and tobacco which on April 1, 1957, have not been obligated for payment to producers under such programs. All applicable terms and conditions of the acreage-reserve program including the limitation on the total compensation of producers thereunder contained in section 105 (c) shall apply to the program authorized by this subsection."

Mr. POAGE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. POAGE. I am afraid I have gotten as confused on the parliamentary situation as some of my colleagues have on the substance. I had hoped to offer this as an amendment to the Harrison amendment. Of course, it would be to the Cooley amendment if the Cooley amendment prevailed; but I understand it was reported as an amendment to the Cooley amendment directly. It is my intention to offer this amendment as an amendment to the Harrison amendment. So that I would like to offer it to the Harrison amendment directly instead of to the Cooley amendment.

Mr. H. CARL ANDERSEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. In what position would the substitute which I have offered to the Harrison amendment be? Would it take precedence over the gentleman's amendment in that case, because mine would be offered as a substitute to the Harrison amendment?

The CHAIRMAN. It would not be in order to offer it until this amendment and the Cooley amendment are disposed of.

Mr. H. CARL ANDERSEN. I may be incorrect, but it is my position that the Cooley amendment must first be disposed of, or the Cooley substitute must first be disposed of and when that is disposed of would not then a substitute to the Harrison amendment be in order?

The CHAIRMAN. Yes; if the substitute amendment was voted down it would be in order. But unless it were voted down, the gentleman could not offer it.

Mr. H. CARL ANDERSEN. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. I cannot agree, then, that the gentleman from Texas [Mr. POAGE] has the right to offer his amendment to the Harrison amendment prior to my substitute for the Harrison amendment. Am I correct or incorrect in that? I am proposing to offer mine as a substitute to the Harrison amendment in its entirety.

The CHAIRMAN. The gentleman from Minnesota could not offer that kind of an amendment until the Cooley amendment has been disposed of.

Mr. H. CARL ANDERSEN. That is correct, Mr. Chairman. I am trying to determine the status of my amendment in connection with the amendment of the gentleman from Texas.

The CHAIRMAN. Perhaps the Chair can clarify the situation, at least, to this extent: We have now pending an amendment offered by the gentleman from Nebraska [Mr. HARRISON]. It has been referred to as a substitute, but actually it is an amendment. It is an original amendment, was in order, and was the only amendment pending at the time it was offered. The gentleman from North Carolina [Mr. COOLEY] offered a substitute amendment for the amendment offered by the gentleman from Nebraska [Mr. HARRISON]. The gentleman from Texas [Mr. POAGE] offered an amendment to the Cooley substitute and now seeks to transfer it from the Cooley substitute to the Harrison amendment.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. COOLEY. Would it not be in order for the gentleman from Texas to offer his amendment as a perfecting amendment to the amendment I offered?

The CHAIRMAN. It would, and that is what he has pending now.

Mr. COOLEY. If it is offered as an amendment to the Harrison amendment, the vote would first be on my amendment?

The CHAIRMAN. The vote would come first on the perfecting amendment to the Harrison amendment. Then we

would vote on any amendments to the gentleman's substitute. There can be only four amendments pending at one time, an amendment, a substitute, and an amendment to each of those.

Mr. HALLECK. Mr. Chairman, I make a point of order against the Poage amendment for the reason that it introduces matter not covered in the amendment which it seeks to amend. The amendment as offered deals only with corn as one commodity. The gentleman's amendment to that seeks to broaden that to include feed grain.

Mr. COOLEY. If the gentleman will yield, the original bill deals with feed grains.

Mr. HALLECK. I insist that the amendment must be germane to the amendment it seeks to amend, and it is not germane because it introduces new matter.

The CHAIRMAN. The gentleman from Indiana is correct in insisting it must be germane, of course, and that is what the Chair will determine.

Does the gentleman from Texas desire to be heard on the point of order?

Mr. POAGE. I do, indeed, Mr. Chairman.

The Harrison amendment has for its purpose the control of excess corn. The whole purpose of it is to control the over-supply of corn. The amendment I have offered is in furtherance of that stated objective of controlling the supply of corn. It is not necessary, as I understand it, that the amendment adopt exactly the same means of control that the original proposal adopted. The Harrison proposal adopts one means of effecting the control of surplus corn. The Poage amendment adopts another means of controlling the excess supply of corn. Since they are both directed at achieving the same result, I submit the amendment is in order.

Mr. HOFFMAN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman from Michigan on the point of order.

Mr. HOFFMAN. I want to cite this precedent, Mr. Chairman. Yesterday, when we had before us a resolution calling on the President to tell us how to cut the budget, an amendment was offered asking the Speaker of the House to do the same thing for us in the same way; that is, give us information. It was ruled out of order.

The CHAIRMAN. Does the gentleman from North Carolina desire to be heard on the point of order?

Mr. COOLEY. Mr. Chairman, may I say that the bill H. R. 4901 deals with all of the commodities that are known as feed grains, not restricted only to corn. If I understand the gentleman's amendment correctly, he modifies some of the language of the bill that we reported out of committee, to wit, H. R. 4901.

With reference to the Harrison amendment, if the Chair will look at the language of the Harrison amendment he will observe that the Harrison amendment by reference is an amendment to the law of 1956 under which the referendum was held, and it states, "Pursuant to the provisions of the Agricultural Act of 1956."

Mr. POAGE. And it refers to the Agricultural Act of 1938 and refers to the Price Support Act of 1949. My amendment amends those very same acts.

Mr. COOLEY. I thought the gentleman from Indiana raised the point of order because the Poage amendment dealt with grains other than corn.

Mr. HALLECK. It certainly does. I say his amendment must be germane to the amendment to which it is addressed. It clearly goes way beyond that. I think the gentleman from Texas, in fact, conceded the point of order when he tried to say that there is some connection between trying to do something about the corn production and anything that might affect that in any way would hence become germane. I just do not believe that you can pursue the rule of germaneness that far. In other words, Mr. Chairman, I insist that an amendment must deal with the subject matter of the amendment which it seeks to amend. Instead of doing that, it goes far beyond that by including many other commodities not included in the amendment.

Mr. POAGE. Mr. Chairman, may I be heard further?

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. POAGE].

Mr. MILLER of Nebraska. Mr. Chairman, will the gentleman yield for a parliamentary inquiry?

Mr. POAGE. I yield.

Mr. MILLER of Nebraska. The amendment being offered by the gentleman from Texas is to the Harrison amendment or to the Cooley amendment?

The CHAIRMAN. It was offered to the Cooley substitute amendment.

Mr. MILLER of Nebraska. Then he tried to withdraw it and offer it to the Harrison amendment? Was that done?

The CHAIRMAN. The Chairman has not yet put the unanimous consent request to do so because in the meantime the gentleman from Indiana raised a point of order against the amendment on the ground that it was not germane.

Mr. POAGE. May I suggest to the Chair, as I tried to do a few moments ago, that this, of course, is germane to the Harrison amendment as well as to the Cooley amendment because they are both, as the bill points out, directly reducing the acreage of corn. We adopt different methods to approach that goal. That is all there is to any amendment. There never is anything to an amendment except a different approach to achieve the same results. We are seeking to achieve the results by a different route from the Harrison amendment. We have a right to adopt a different route to achieve the same result.

Mr. COOLEY. Mr. Chairman, the bill which the committee reported, and the bill which the committee is now considering deals with all the grains known as feed grains. Certainly, any amendment that is germane to the bill is germane to any part of the bill, and does not have to be germane to the Harrison amendment. If, by chance, it is not germane to the Harrison amendment, certainly it is germane to my amendment and germane to the bill itself.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, it is quite obvious that the Poage amendment is simply an amendment on the diverted acres of feed grain. It has nothing to do with corn or corn acres. It provides that on the diverted acres there should be made certain payments on the acreage reserve program. How anyone can figure out that diverted acreage on feed grains has anything to do with corn in the commercial corn area is beyond any reason that I can find. So, the point of order should be sustained because the amendment offered by the gentleman from Texas is obviously out of order.

Mr. COOLEY. Mr. Chairman, it seems to me, if I may suggest before the Chairman rules on the question, that the Chair should look at section 103 of Public Law 540, which is the soil bank law, which deals with every agricultural commodity known. To say that the amendment offered by the gentleman from Texas [Mr. POAGE] is not germane, it seems to me, is without any foundation whatsoever because section 103 refers to tobacco and everything else that anyone could mention. The Harrison amendment is an amendment to section 103.

Mr. HOFFMAN. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. The Committee is proceeding in the regular order.

Mr. HOFFMAN. I thought the gentleman from Texas [Mr. POAGE] had time allotted to him and that that time must have expired.

The CHAIRMAN. That time has long expired, but the gentleman from Indiana made a point of order against the amendment and the Chair is now trying to decide that very difficult question.

Mr. HOFFMAN. Then the gentleman from Texas [Mr. POAGE] does not have the floor at the present time?

The CHAIRMAN. The Chair will recognize the gentleman from Texas, if he desires to speak further on the point of order.

Mr. MASON. Mr. Chairman, will the Chair recognize me for a parliamentary inquiry?

The CHAIRMAN. The Chair is ready to rule.

Mr. MASON. It touches on the question, whether the Chair rules one way or the other.

The CHAIRMAN. The Chair is about to rule.

Mr. MASON. May I inquire before the Chair rules?

The CHAIRMAN. Does it touch this question of the ruling?

Mr. MASON. It does, yes.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. MASON. My point is this: The question really before this House after this point of order is whether the gentleman from Texas [Mr. POAGE] may change the application of his amendment from the Cooley amendment to the Harrison amendment.

The CHAIRMAN. The Chair would prefer to pass upon the point of order

first, and then the Chair will answer the gentleman's question.

The question touches the germaneness of the formula or plan offered by the gentleman from Texas [Mr. POAGE] as an amendment to the plan offered by the gentleman from North Carolina [Mr. COOLEY]. As the gentleman from Texas says, it is related to the corn program. It differs as to method, and since it differs as to method and not in substance, it is related to the purposes of the legislation, and the Chair therefore overrules the point of order.

Now the Chair will answer the gentleman's parliamentary inquiry.

In response to the question raised by the gentleman from Illinois [Mr. MASON], the gentleman from Texas [Mr. POAGE] would require unanimous consent to withdraw his amendment. If that is granted, he can immediately offer it, or if it is voted down he could offer an amendment to the pending amendment, but it requires unanimous consent for him to withdraw his amendment first. The Chair will put the request that the gentleman made, that he transfer this amendment to the Harrison amendment rather than to the Cooley amendment.

Mr. MASON. And to that I object.

The CHAIRMAN. Objection is heard.

Mr. POAGE. Mr. Chairman, I offer an amendment to the Cooley amendment.

The CHAIRMAN. The Chair believes that is the correct procedure for the amendment to be offered to the Harrison amendment.

Mr. MASON. But it must be withdrawn first.

Mr. KEATING. Mr. Chairman, is it not necessary to vote on this amendment and dispose of it before it is offered at some other place?

The CHAIRMAN. We would have to perfect the Harrison amendment first, and no other amendment to the Harrison amendment was pending at the time the gentleman tendered his amendment. He now offers it to the Harrison amendment.

Mr. MASON. Mr. Chairman, I have objected to his transferring it from the Cooley amendment.

The CHAIRMAN. The gentleman is correct. The Chair intended to say "the Cooley amendment." The Chair appreciates the gentleman putting him right.

Mr. COOLEY. Mr. Chairman, a parliamentary inquiry. Where are we now?

Mr. ARENDS. I am still confused.

Mr. POAGE. Mr. Chairman, may I be recognized to offer an amendment?

The CHAIRMAN. Yes.

Mr. POAGE. Mr. Chairman, I offer an amendment to the Harrison amendment.

The Clerk read as follows:

Amendment offered by Mr. POAGE to the Harrison amendment: At the end of the pending Harrison amendment add the following new section:

"SEC. 2. Section 103 (b) of the Agricultural Act of 1956 is amended to read as follows:

"(b) Notwithstanding any other provision of law, in addition to all other programs authorized by this act the Secretary is authorized, and directed to formulate and carry out an acreage reserve program for 1957 for acreage diverted from the production of each of the commodities specified

in subsection (a) of this section except corn produced in the commercial corn-producing area. Individual farms may participate in such acreage reserve program for diverted acres up to the lesser of an acreage equal to 18 percent of the farm acreage allotment or allotments for such commodities (or 1 acre, whichever is greater) or the extent to which such participation results in a reduction of the individual farmer's feed grain acreage. For purposes of this subsection the measure of feed grain acreage on the farm shall be the average acreage planted in the 3 most recent years, adjusted for unusual weather conditions, to the following crops for harvest as grain: Corn produced outside the commercial corn-producing area, wheat produced on farms to which marketing quotas are not applicable, grain sorghums, barley, rye, and oats.

"Compensation under this subsection shall be at the rate per acre of the rate per bushel of corn placed in the acreage reserve multiplied by the normal yield per acre of corn in the county in which the farm is located but in no event less than \$10 nor more than \$25 per acre. For the purpose of compensating producers for participation in the acreage reserve program authorized by this subsection, the Secretary shall allocate and make available for such purpose all funds heretofore allocated by him for compensation of producers under the 1957 acreage reserve programs for wheat, cotton, rice, and tobacco which on April 1, 1957, have not been obligated for payment to producers under such programs. All applicable terms and conditions of the acreage reserve program including the limitation on the total compensation of producers thereunder contained in section 105 (c) shall apply to the program authorized by this subsection."

Mr. POAGE (interrupting the reading of the amendment). Mr. Speaker, I ask unanimous consent that further reading of the amendment be dispensed with. It is the same amendment I offered a minute ago.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. HALLECK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. Does the gentleman from Texas yield for a parliamentary inquiry?

Mr. POAGE. I yield, Mr. Chairman.

Mr. HALLECK. Is the Poage amendment to the Cooley amendment still pending?

The CHAIRMAN. Yes.

Mr. HALLECK. I might suggest that it would seem that the pending amendment should be disposed of before we proceed to another amendment.

The CHAIRMAN. The Chair will advise the gentleman from Indiana that it is in order for four amendments to be pending at the same time. As the parliamentary situation now stands we have that situation. The gentleman from Nebraska [Mr. HARRISON] offered an amendment; the gentleman from North Carolina offered a substitute; the gentleman from Texas has now offered an amendment to both the pending amendments, and we now have as much as the parliamentary situation can absorb.

The gentleman from Texas will proceed.

Mr. POAGE. Mr. Chairman, since we have cleared up the parliamentary situation let us try to clear up the basics of this thing, and the basics are on the question of whether we want simply to continue a program that does nothing toward solving the underlying problem of oversupply of feedstuff, or whether we want to accept a program that will attempt at least to meet that general problem by dealing with feed grains all over the Nation if they come from diverted acres. The latter is exactly what the substitute does.

Now, the substitute will not go nearly so far as it has been suggested we should go—not nearly so far as I feel we should go. It will not solve the problem, but it will make a dent in it. It will do something toward reducing the tremendous oversupply of feed grains both in and out of the commercial Corn Belt, and will do it without any new money.

I want to call the attention of all the Members to the last paragraph of this substitute:

For the purpose of compensating producers for participation in the acreage reserve program authorized by this subsection—

And this subsection is all I am amending—

the Secretary shall allocate and make available for such purpose all funds heretofore allocated by him for compensation of producers under the 1957 acreage reserve programs for wheat, cotton, rice, and tobacco, which on April 1, 1957, have not been obligated for payments to producers under such programs. All applicable terms and conditions of the acreage reserve program including the limitation—

Get this—

including the limitation on the total compensation of producers thereunder contained in section 105 (c) shall apply to the program authorized in this subsection.

In plain language, Mr. Chairman, that means that you cannot spend a new dollar on this program which I propose—that every dollar that is used to implement this program will be taken from the funds already allocated by the Secretary to the particular commodity whose diverted acres we are going to take out of feed grains, a long and a vast difference between any other program that has been presented to this House.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from North Carolina.

Mr. COOLEY. The gentleman is now prepared to tell the Committee that the additional cost cannot exceed \$171,339,000?

Mr. POAGE. That is correct and those will not be additional costs. That money has already been allocated by the Secretary of Agriculture. It will simply be a transfer of funds from one use within the Department to another use, all for the soil-bank program.

Mr. COOLEY. When I used the word "additional" I meant in addition to money already made available for corn. \$98 million of this comes out of the cotton fund?

Mr. POAGE. That is right.

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. Do I understand that the gentleman's amendment applies to 1957?

Mr. POAGE. Yes; it does apply to 1957, and only to 1957.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Iowa.

Mr. JENSEN. Can the gentleman tell us just what his amendment to the Harrison amendment would do? Is that what is pending now?

Mr. POAGE. That is pending, yes.

Mr. JENSEN. What would it do for the corn farmer?

Mr. POAGE. It will leave the Harrison amendment exactly, as it is written without changing an "i" or a "t."

Mr. JENSEN. It will leave in the 51 million acres?

Mr. POAGE. It will leave in the 51 million acres.

Mr. JENSEN. All right. Now go on from there.

Mr. POAGE. It would provide, if every man in the commercial Corn Belt complied, that they could grow 51 million acres, they could in addition put 7,650,000 acres in the conservation reserve and be paid for it out of the conservation reserve. That is what it means in the commercial Corn Belt. Frankly, I feel that it gives the commercial corn area an unreasonable advantage over the rest of the country, but I hope it will result in some cutting down.

I have been told here so often that "You people from other areas do not understand our problems in the commercial Corn Belt and you ought to let us solve our own problems," that is this case we are going to let you try to solve those problems. This leaves the Harrison amendment word for word as it was offered, with all of its evils, with all of its ambiguities, with all of its confusion and with all of its uncertainty.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. POAGE. Mr. Chairman, I ask unanimous consent to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. MASON. Mr. Chairman, reserving the right to object, and I do not know whether I will object or not, may I say that I was confused when I came into the House on this farm bill today. I am much more confused now. The longer these people talk the more confused I get. I do not know whether it pays to extend their time to speak or not. Unless they can clear up this subject so that the average person who is not a member of the Agricultural Committee can understand it, I shall object. I will not object now but I will object to all future requests for an extension of time.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JENSEN. I may say, Mr. Chairman, that we are trying our best to

clarify this whole matter and to make it understandable to everyone. I hope that I can understand it better. If the gentleman from Illinois [Mr. MASON] will bear with us, we will try to clarify this so he and the rest of the Members will understand it.

What does the gentleman's amendment do to the Harrison amendment which will add to the benefits or straighten out this whole matter for the corn farmer?

Mr. POAGE. Frankly, it does not straighten it out at all. It leaves the Harrison amendment in its present state of confusion, just exactly like it is written. It does not change one word of the Harrison amendment.

Mr. JENSEN. All right. What does the gentleman's amendment add then?

Mr. POAGE. It adds the proviso that diverted acreage outside of the commercial corn area—that is acres diverted from cotton, wheat, rice, or tobacco, which have been in feed grains, can be placed in the soil bank. In this way we hope to reduce the tremendous expansion of feed over the entire country.

Mr. JENSEN. You contend when you take any acres out of production that it benefits all grains, including corn; is that your contention?

Mr. POAGE. That is exactly right.

Mr. JENSEN. And that is what you are trying to do?

Mr. POAGE. That is exactly right. And we give to commercial corn farmers exactly what the Harrison amendment would give them.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. Do I understand the gentleman correctly that the section which he proposes will not go beyond the allocation of funds already announced by the Secretary for each separate commodity?

Mr. POAGE. That is right. That is exactly right.

Mr. H. CARL ANDERSEN. In other words, the gentleman can assure the House that his proposal will not go beyond or, in other words, will not cost the taxpayers a single additional dime except in relation to the placing into the soil bank, which we all want, of certain surplus feed acreage, which, in turn, then will help out the corn situation?

Mr. POAGE. That is right. And, more than that, I can assure the gentleman that even beyond that the total limit upon the amount that can be spent under my section 2 for feed grain acres outside of the commercial Corn Belt, is limited to the amount of money already allocated to the commodities grown in those areas and nothing more. Under my amendment no money can be taken from the allocation already made to commercial corn to take corn out of production in the noncommercial area. That would be paid from the funds already allocated to cotton and like crops.

Mr. H. CARL ANDERSEN. I feel this way: If we are going to get a bill through this House and get it over to the Senate for consideration and then back to conference, I think we perhaps better accept the gentleman's amendment.

Mr. POAGE. May I say just this before I yield further. This, gentlemen, is our last clear chance, if you really want a bill. There is not going to be anything else. This is our last clear chance, and we from the noncommercial areas are making tremendous concessions. You have heard what I think of the Harrison amendment, but we are saying to you people: "You claim to know more about corn than we do; we defer to your judgment; we accept your provision word for word. We take what you tell us is good for commercial corn. We ask only that you let us spend the money that is already in the cotton, wheat, rice, and tobacco areas in those areas in a slightly different way which we believe will help every corn man in the United States."

Mr. BELCHER. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Oklahoma.

Mr. BELCHER. As I understand, of course, you cannot go beyond the total amount allotted. All of the money allotted to cotton, that can be used by the cotton farmer, will come out first, and then the wheat farmer, the rice farmer, and all the rest of them, and after the money has been spent for the crops that are put in the soil bank for this commodity, only that remaining, can be used in this program.

Mr. POAGE. That is correct.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. The gentleman from Oklahoma brought out the point I wanted to bring out. The gentleman's amendment requires that wheat, cotton, tobacco, and other basic crop producers use their own money.

Mr. POAGE. Yes.

Mr. ABERNETHY. The money that has already been allocated to them by the Department of Agriculture to finance this program.

Mr. POAGE. Yes.

Mr. ABERNETHY. Their money and no one else's.

Mr. POAGE. Let me make this statement before my time runs out. I want to state to the gentleman from Nebraska [Mr. HARRISON] and to the House that if you adopt this amendment to the Harrison substitute, I will vote for the substitute when it comes up with this amendment today and will vote for it on final passage.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] has expired.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I offer a perfecting amendment to the Cooley amendment.

The CHAIRMAN. The Chair will advise the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] that there is an amendment pending to the Cooley substitute and an additional amendment would be in the third degree and not in order.

Mr. AUGUST H. ANDRESEN. Is that the Harvey amendment?

The CHAIRMAN. It is the Poage amendment.

Mr. ABERNETHY. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I hope I can shed just a little light on this situation before us. Before making the attempt, I want to say that personally I am sorry the debate of a few days ago was of such a partisan character; but it was and I suppose it cannot be erased.

One of the most unfortunate things that has happened to American agriculture in recent years is the partisan atmosphere into which the farm programs have been thrown. We didn't have this situation until the most recent years. Heretofore the Committee on Agriculture has had no difficulty in reaching agreement on various programs. We always came to the floor united.

Consumers have been played against farmers. Farmers have been played against one another. Now everyone has been so divided that I doubt we can ever or will ever restore the bipartisan approach that heretofore prevailed. I hope we can do it. And I, for one, am willing to try.

I am not going to engage in a political or partisan discussion now. I shall try to cover some points that might help us solve this very troublesome problem.

First let me say, Mr. Chairman, that the pushing and shoving we have witnessed during the debate on this bill is an example of what invariably happens when you start handing out Federal checks to people for doing nothing. Do you remember how we used to complain about WPA? We used to criticize it for paying people to simply lean on their shovels. But at least the WPA required a man to hold the shovel in his hand, with leaning on it permitted. But under the soil bank he can just throw his shovel under the house, forget about it, take a seat on the porch, and wait for the postman to come by and hand him his soil-bank check—for what? For doing nothing, absolutely nothing. Is there any wonder that we have such pushing and shoving as has been witnessed on this floor. The scene has been even worse at the offices administering the soil-bank program.

I say that not in any criticism of anyone. It just points up the fact that when we start handing out do-nothing checks it results in just such a mess as we have now. I think at the end of this year we would be better off if we got rid of this whole program. In the interest of the taxpayers, in the interest of farmers who want to work for what they receive, and in the interest of maintaining the real worth-while programs for agriculture, we ought to repeal the soil-bank program.

Now, the gentleman from Texas [Mr. POAGE] has offered to this body a fair choice. He has offered to support either Mr. HARRISON's proposal or Mr. BENSON's bill, with his amendment tied thereon.

A food deal of complaint has been made as to the cost. Mr. POAGE's amendment would not add one single dollar to those which have already been allocated by the Department of Agriculture for soil-bank purposes. It does not rewrite,

with all deference to those who have said that it does, the Soil Bank Act. No man on this floor has made a more accurate statement than did the gentleman from Minnesota [Mr. H. CARL ANDERSEN] a moment ago when he interrogated the gentleman from Texas [Mr. POAGE] on his amendment and agreed with him that the Poage amendment kept the expenditures exactly within the limitations of the President's budget.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I certainly will. I think the gentleman has made a great contribution, probably the greatest that has been made up to now, in an effort to get this thing on the road.

Mr. H. CARL ANDERSEN. As a former chairman of the Agricultural Appropriations Subcommittee, and having dealt for 15 years with agricultural problems on that subcommittee, and I think I speak for the gentleman from Mississippi [Mr. WHITTEN] too, may I say that we on that subcommittee are much disturbed about the fact that we have \$1,200,000,000 in that bill for the soil bank. We have a staff now looking into the operations of the soil bank. What leads me to support the amendment offered by the gentleman from Texas [Mr. POAGE] is that his amendment at least will not add to that \$1,200,000,000.

Mr. ABERNETHY. Furthermore, not one single employee will be added to the present personnel of the Department of Agriculture, not one; and it will not add one single dollar to the allocations that have been made.

We have tried hard to solve our differences. We have worked week after week. We met last Friday and made no progress whatever with our Republican friends on the committee to solve our differences. They told us it was still their bill or nothing. We met again Saturday and we got nowhere. We met again Monday and got nowhere. Now, two reasonable choices have been offered. I just think we ought to accept one or the other and get something to conference.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. ABERNETHY. I yield to the gentleman from Iowa.

Mr. JENSEN. I am sure the gentleman would not object to us who represent the commercial corn area of America trying our best to get a few benefits for the corn farmer.

Mr. ABERNETHY. I certainly do not. I am doing my best to assist. I simply want it to be a workable program. A repetition of what happened last year with soil-bank money in the commercial corn area will not help you. It would do serious damage to commercial corn and every segment of American agriculture.

Mr. JENSEN. But I want to be realistic, and I am sure the gentleman does, as every Member of Congress does. We realize that the Democrats are going to write this bill in the final analysis.

Mr. ABERNETHY. No; the Democrats will not be writing this bill. All of us will be writing it. That is the way it ought to be, and that is the way

it will be if everyone will recognize the benefit of working together.

Mr. JENSEN. You are going to have the big say. Your party is going to have the big say. I am trying to be realistic about this thing. I am just hoping that I can do something that will improve this bill a little and say something that will improve it a little, as I have been trying to do. Then when the bill goes to the conferees, after the other body passes it—and I hope they will in plenty of time; we are just rushing along—I had hoped that the party in control, your party, Mr. ABERNETHY, will remember always that the corn farmers are in trouble, and I am sure you will.

Mr. ABERNETHY. I see the gentleman's point. I agree with it—corn farmers are in trouble. We were told last year that the soil bank would solve your problem, but it did not. Mr. BENSON spent \$179 million out there and did not reduce the corn surplus one bushel. In fact, it was increased over the alltime high of the year before. He sent his Assistant Secretary, Mr. Marvin McLain, before our committee, and Mr. McLain told us in plain language that grain production, including corn, from the diverted acres caused your problem. Should we repeat the mistake of last year? Should we pour more millions down the drain?

I believe if I lived in the commercial corn area I would welcome a reduction in grain production in the area outside the commercial belt. Mr. POAGE's amendment is directed at the very sore spot which Mr. McLain complained about.

Let us accept it. Let us do a good job. Why repeat the horrible performance of last year? For one, I am not willing to do it.

(Mr. ABERNETHY asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken.

(Mr. HOFFMAN asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN. This motion is not offered just to get the time. Sometimes a motion of this kind might be so considered.

It appears that the committee is hopelessly confused. Here are four amendments. Being against subsidies, I asked the chairman of the committee, the gentleman from North Carolina [Mr. COOLEY], a little while ago what my vote should be on these four pending propositions, that is, so that I would do the least damage or, perhaps in the least degree minimize my desire to oppose subsidies. I did not get an answer. There has not been any. We have in our country or rather in my section, not only in Michigan but in adjoining States, the situation with reference to wheat where many of our people who are honest and law abiding and who try to observe the law having fed their extra

wheat, that is, the wheat grown on acreage that they should not have planted, to their chickens, poultry, and cattle, and who have been hailed before the United States district court and fined. In lieu of the payment of a fine, of course, they would have to go to jail. This bill does not contain anything to help them, although we have long been asking for relief and several bills have been introduced to relieve them of that situation. We hear often about a free world, the free nations, and free people. But take a look at the citizen who owns land, who plants it to wheat. Can he sow, reap, and use what he grows on his land as his own? He cannot. Then why claim—say—he is free? If a certain number of farmers vote for the farm program the individual—by that vote through legislation enacted by the Congress is deprived of his freedom of his property—why not forget all this bunk about freeing the people of the world until Americans are free? Now, the corn boys complain and apparently, they are not to get any relief unless our friends from the South are permitted to put the feed grains into competition with our corn and get paid for so doing. That seems to be the situation today.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN. Yes; but I do not want you to take too much of my time.

Mr. COOLEY. I will not do that, but I just want to tell the gentleman, you asked about the possible cost.

Mr. HOFFMAN. I did not ask about any cost. Have not said a word about cost.

Mr. COOLEY. The gentleman asked about the possible cost when I was talking a while ago. You said something about wanting to vote for the one that had the least subsidy in it, and this is it—the Poage bill. The total possible cost under the Poage bill would be \$171,-393,000.

Mr. HOFFMAN. All right, I got it, I got it. So I must take the Poage bill to get even partial relief. And our farmers will be fined or sent to jail if they plant and use the wheat from 11 acres when the allotment is 10 acres. And this is not Russia—the practice is that of Russia.

Well, I am a little suspicious about—unduly suspicious of my friends from the South because I find in the RECORD where some from the South and some from the west coast, although I love the California people more than I do those from Florida, although I have never been in either place except on a little business, perhaps I find where a corporation in California during the 3 years, 1953, 1954, and 1955 got \$3,365,090.81 via a subsidy for cotton. I found that the people from the State of the gentleman who just spoke to us, the gentleman from Mississippi [Mr. ABERNETHY], on cotton alone during those same 3 years, the Delta Pine and Land Co., a corporation—not one of those poor little farmers that they are complaining about and all the time profess to be trying to help—oh, no, no, no—not a poor little farmer with a wife and children but a big, fat British-controlled corpora-

tion, it got \$4,536,321.03 in those 3 years. The very last cent they collected—the 3 cents—they had to have that too. Now, if I must continue to vote, and the story is the same all the way through, and it has been the same ever since the program went into effect, we in the North have had to pay year after year millions of dollars not to the little man from the South with whom we all sympathize and wish to aid but to these big, rich corporations that if you listen to them on the floor, you would think they were always against. If I must vote to pay them—it is my purpose to make the payment as small as possible—no doubt some time before final vote some one will come along with an amendment to limit the size of the payment. But that limitation will probably disappear when the act is administered. The price carried now in the proposal is too high a price for me to pay to vote for the Poage amendment, much as I admire and respect and, I will say, love, although that is stretching it a little, the gentleman from Texas [Mr. POAGE].

Mr. JONES of Missouri. Mr. Chairman, I rise in opposition to the preferential motion.

Mr. Chairman, I rise in opposition to this motion for the same reason that the gentleman who offered it did. I am rising to say that I think the gentleman from Texas was correct when he said this is our last opportunity to try to get together and get some legislation.

As we came on the floor today I think it was apparent to everyone that we knew that the Harrison amendment would be defeated; we knew that the Andresen amendment was already defeated. We knew the committee bill would be defeated, and we would be left without any legislation at all, and the Congress could rightfully be chargeable with doing nothing for the corn farmer.

Frankly, I could not vote for the Harrison amendment as it stands, without the Poage amendment. And I will have to take that with the hope that in conference we can improve that a little.

Now, why do I say that I cannot vote for the Harrison amendment?

I have tried my best to reach a compromise on this bill. In offering an amendment to the Andresen bill the other day, to make it applicable for 1 year, I predicted that if that amendment was adopted his bill would be adopted. My amendment was defeated and his amendment failed by only 7 votes.

The Harrison bill, as it was drafted—I know not by whom—was indefinite and confusing to the point that even the author, whose name it carried, had contended up until last Saturday that the bill did not go as far as it goes. I know he was honest in his representation that the bill proposed that some of the additional acres provided for a base acreage of corn would have to be placed in the soil bank, but, of course the bill does not do that. It proposes an increase of 12,711,111 acres to the present 37 million acre corn allotment for 1957, in the commercial corn area. Not a single acre of this corn base acreage of 51 million acres in the commercial corn area would have

to be placed in the soil bank acreage reserve. Not only that, but not a single acre of any other grain acreage in the commercial corn area would have to be placed in the soil bank acreage reserve. The only requirement is that, for the producer to become eligible for price supports on his part of the 51 million acres is that he place in the soil bank conservation reserve an acreage of cropland on the farm—not cornland and not grainland—equal to 15 percent of the producer's base acreage for corn.

Also, please understand, Mr. Chairman, that the Harrison bill applies only to corn in the commercial corn area, and there is absolutely no incentive for producers of corn outside the commercial area to reduce either his corn or grain planting. If the Harrison proposal is adopted it would not only result in greater production of corn and other feed grains, but would also make the Government liable for additional soil-bank payments without requiring any additional reduction in either corn or feed grains, from which the problem has stemmed.

Frankly, I believe very few Members have ever read the Harrison bill which is now offered as an amendment. There are only a few in my opinion who know exactly what this amendment would do. Too many have relied on explanations of the intent of the bill, and these explanations have not always been exactly accurate. If you have not read the regulations on the corn referendum issued last December by the Secretary of Agriculture, you do not know what this Harrison bill proposes and if you do read and understand the regulations, I do not see how anyone can vote for the Harrison bill.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. H. CARL ANDERSEN. Is it not true that the Poage amendment retains that portion which gives to the corn farmers a 51-million-acre allotment?

Mr. JONES of Missouri. It does.

Mr. H. CARL ANDERSEN. And also the farmer can take 15 percent out of his feed-grain acreage and put it into the conservation reserve?

Mr. JONES of Missouri. He does not have to take it out of that. He can take it out of other land, if he has any, or he can take it out some place else. He also has the privilege of taking 15 percent out of his corn allotment, if he wants to.

The reason I opposed the Harrison amendment was the fact that until Saturday morning it was assumed by a lot of people that while it gave a 51-million-acre allotment, the author was presuming that 15 percent of that would go into the soil bank and it would actually be planting about 43 million acres in the commercial corn area. So I say that the Harrison amendment as it is, unless we put the Poage amendment on there, is not going to be acceptable. If we are interested in getting a corn bill passed, that is the only legislation we can possibly get, and even then we have some doubts whether it will be passed.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. ALBERT. Would not the gentleman follow the gentleman from Texas on this amendment and if the Poage amendment to the Harrison amendment is adopted, would he support the Harrison amendment and send the bill on?

Mr. JONES of Missouri. I would support it only as a compromise.

Mr. ALBERT. Will the gentleman yield to permit me to ask the chairman of the committee if the Democratic Members are not in favor of that?

Mr. COOLEY. I am not privileged to speak for other members of the committee, but I am glad to say to the House that if the Poage amendment to either the Harrison amendment or to my amendment is supported, I will still vote for it in the hope that we may perfect it in conference.

Mr. JONES of Missouri. I do not say that is the perfect thing, but at least it gets something done, to get the show on the road and get a bill passed.

Mr. H. CARL ANDERSEN. Mr. Chairman, will he gentleman yield?

Mr. JONES of Missouri. I yield.

Mr. H. CARL ANDERSEN. That is exactly where I agree. Let us do something to get the show on the road.

Mr. JONES of Missouri. I hope other Members on your side will go along with that, and we will get something done.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(Mr. JONES of Missouri asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. The question is on the preferential motion.

The preferential motion was rejected.

Mr. HARVEY. Mr. Chairman, I move to strike out the last word.

Mr. COAD. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield briefly, for a question.

Mr. COAD. Under the Harrison amendment is the Secretary of Agriculture required to support corn at between 75 and 90 percent of parity or between zero and 90 percent of parity?

Mr. HARVEY. I prefer to let the gentleman from Iowa answer his own question. I do not yield further at this time.

I want to devote my attention at this time to what is actually at stake here in this proposal, and I am going to do it as factually and without prejudice. I think all of you will agree that my efforts have been devoted to the welfare of agriculture. I have tried to see the problems not in terms of just 1 area or 1 community, but that agriculture as a whole must prosper.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield.

Mr. POAGE. I want to commend the gentleman for a serious effort to try to work something out.

Mr. HARVEY. I thank the gentleman. What we have at stake here, and I want you to listen to this if you have not listened to anything else I have said here, I want you to listen very carefully to what is at stake, then make up your mind how you want to vote. At stake

here we have under consideration an approximate amount of acres to be treated as basics for the soil-bank purpose. The amount of acres of the basic commodities, in other words, the sum total of all the basic commodity acres today is a little over 100 million. This Poage amendment would bring into consideration for soil bank treatment an amount also in excess of 100 million acres.

The statement made by the gentleman from Texas is correct. I want to be fair about it. His statement was that for this year an additional amount of money over and above the present authorization would not be allowable, but if you accept the philosophy that all of these other feed grains are treated—for soil-bank purposes—as basics, you are going to be obligated in future years to follow up the policy established by this Poage amendment.

Let us make no mistake about it, that is what you are voting on here. It is not a question of exceeding the budget, it is not a question of where you are going to get the acres; it is a question of whether you are going to bring feed grains in for soil-bank purposes and treat them as basics and pay for them at excess prices. That is what is at stake. I am going to leave the decision to you, but I hope you will be able to recognize the principle that is at stake.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. HARVEY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. But it is true that it is limited to diverted acres from basic crops already within the soil-bank picture.

Mr. HARVEY. Yes; that is right; but the principle that is involved I think the gentleman from Oklahoma will agree is that we are establishing a policy which will make all these feed grains eligible for treatment as basics for soil-bank purposes for future years. That is the policy we are considering. I think you should realize what you are doing when you vote on it.

Mr. JONES of Missouri. Does not the gentleman think that in order to be fair we will have to say that we have also changed the philosophy of the price-support theory when we are supporting corn without any limitation on production; that is, we have left it to that extent.

Mr. HARVEY. The gentleman well knows that the corn program has always been a voluntary program and that throughout the years corn has not been a surplus commodity. We are not experiencing an increase in corn production today. The reason corn as a commodity is having difficulty is because of the surplus feed grains that have been brought into the pattern of production and have thereby displaced corn from its normal pattern of use.

Mr. JONES of Missouri. That is true because we have a surplus, and this legislation is here to deal with that situation.

Mr. HARVEY. That is a good statement of the situation. Here is what I wanted to emphasize and want you to be clear about in your thinking as you

approach a vote on this matter: Whether you are going to put these acres into the conservation reserve phase of the Soil Bank Act on a long-range basis at a price fair to all or whether you are going to muss up the whole program by bringing them in as basic commodities and pay for them at an excess price as a part of the acreage reserve.

Mr. HAGEN. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I merely want to make two points in connection with the amendment offered by the gentleman from Texas [Mr. POAGE]. There is a vast difference between allocating money and spending money. True, this money is allocated, but it is not necessarily true that it is going to be spent. The gentleman is establishing a new method of spending it.

To those of you who come from areas that grow 1 of the 6 basic crops, may I say that you might deprive your farmers of some of their opportunity to participate in the soil bank because to the extent there are moneys remaining which have not been put in the initial sign-up, the opportunity is still open to your cotton growers, your tobacco growers, your peanut and rice growers, to make further signups in the soil bank. The Poage amendment would work this money into the feed grain areas.

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Illinois.

Mr. ARENDS. I am glad the gentleman brought up that point because that is exactly what is going to happen to the detriment of the corn areas.

Mr. BROOKS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Louisiana.

Mr. BROOKS of Louisiana. Some of us have not been able to study the Poage amendment. Does the gentleman have any way of telling the committee here today which areas would participate or are likely to participate in this feed program? For instance, in my area of Louisiana, would it participate or does it grow the feed grains that would normally participate? Would you be taking money allocated to the cotton program down there and spending it for the corn program and maybe later on take it from the cotton program again?

Mr. HAGEN. You would to an extent. This ceiling of \$25 per acre on payments would exclude a great many producing areas even though they might grow feed grains. Frankly, I think your area, may I say to the gentleman from Texas [Mr. POAGE], is an area where they grow most of the feed grains on a dry-farm basis and they might be satisfied with a \$25 an acre payment.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. HAGEN. I yield to the gentleman from Texas.

Mr. POAGE. I hope the gentleman will point out the amendment provides that the allocation of funds shall be made from the amount of money that is remaining available after the Secretary

has made his allocation and after he has allocated money for the soil bank on April 1. The Secretary advised us that by the 25th of this month all of the sign-ups will be closed and there will be no possibility of depleting anybody's fund that might be helpful to anyone in any other way because the money will simply be frozen there after March 25. The sign-up was completed on everything except corn on the first day of the month. It was completed on corn on the 8th. I understand those who want to put further amounts of land in can come back, but they are to be precluded after the 25th. Consequently, on the 1st of April, which is the date set out in this amendment, there will be no opportunity to use that money to the advantage of cotton, wheat or any of these other commodities. If it is to be of any value to the communities now allocated, whether California or South Carolina, it will have to be allocated through this diverted-acre program. I realize there will be more feed grain in some areas than others. But if we are going to attack the national program involving an unworkable surplus that is going to bear down on the corn supply and threaten our livestock industry, we are going to have to deal with feed grains where they are grown, whether in Louisiana, California, or Texas.

Mr. HAGEN. In reply to the gentleman from Texas, may I say that it is conceivable some of these deadlines might be further extended. Basically, here is a proposal that is a regional proposal. It does not have a uniform impact around the country. It will be of little value to the farmers of my State.

Mr. BROOKS of Louisiana. May I ask the gentleman, this \$98 million under the cotton program will not be used for cotton under the cotton program, is that true? Are we not setting up a new type of program which means in the future the cotton program may be stripped of a large part of the money which normally would go into the cotton program under the soil bank arrangement?

Mr. HAGEN. In answer to the gentleman's question, I think that is basically correct.

Mr. BROOKS of Louisiana. It would put the cotton program in serious jeopardy when you do that, would it not?

Mr. HAGEN. To the extent that these cotton dollars have not been committed by contract, total aggregate contracts on individual farms, they would be diverted into another program.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

May I have the attention of the gentleman from Texas [Mr. POAGE]? Do we understand that these feed grains, and tobacco, and cotton, which you include in your amendment, would become basic crops and would be treated the same as our other six basic crops?

Mr. POAGE. They would be treated exactly the same as feed grains in the commercial corn area are treated: Farmers with diverted acres which have been planted to feed grains could put up to 18 percent, just as you take out corn. Under section 1 of the Harrison

provision here, you do not have to take any corn out in the commercial corn area. We do not make food grains basic crops. We did eliminate section 3, which is the section you have in mind, I am sure, and which at one time did attempt to make provisions in relation to feed grain acreage somewhat similar to basic crops. But, this amendment just relates to diverted acreage.

Mr. JENSEN. And I note that the acreage you put in conservation reserve is to be paid for between \$10 and \$25 an acre.

Mr. POAGE. That is the actual acreage you put into the acreage reserve, not to exceed \$25 an acre. The acreage put in the conservation reserve will average in our area about \$8 and \$9. The limitation is clear across the board and applies to any and all acres put in the soil bank.

Mr. JENSEN. Now, then, another question. In your explanation of your amendment you say that the Secretary shall allocate money available for such purposes all funds hereinbefore allocated by him for compensation to producers on the 1957 acreage reserve program for wheat, cotton, rice, tobacco, and so forth. Now, then, would your amendment tend to allocate funds for these products and take it away from corn?

Mr. POAGE. No. It will not take anything away from anybody. Here are the figures as of March 1. The Secretary had committed himself to \$119 million for cotton out of an allocation of \$217 million, which leaves \$98 million.

Mr. JENSEN. You are talking about 1957.

Mr. POAGE. That is right. Of course, this bill is a 1-year bill. This bill does not extend beyond 1 year.

Mr. JENSEN. I thank the gentleman.

Mr. BROWN of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, would you listen to a voice in the wilderness for a moment? For the last 15 years I have visited with thousands of farmers all over America. That was the way I made my living—interviewing farmers, getting the story of their operation, and writing their case histories. I do not profess to have any magic answers to the farm problem; and I have learned here in Washington that no one else has. But could we restate a few fundamentals here, and see if they have any merit?

First of all, what this Congress is trying to do here, apparently, is to patch and plug a basic crop, flexible price support, soil bank farm program that has already been patched and repatched too many times. This is another law that will further complicate the network of complicated farm laws; when the truth is the laws have been getting more and more complicated as we go along and more and more negative in their cut-backs and controls. So complicated, in fact, that it now takes a large army of employees in the Department of Agriculture to police them. The Government is now spending a record \$5.5 billion on a crazy-quilt farm program, and what has it accomplished? The greatest farm depression since the 1920's. Now, I submit, the real fundamental we must

face is that agriculture can no longer be controlled by controlling six basic crops and all the soil-bank adaptations and everything else so far adopted have not changed that fundamental. Talk all you like, I seriously question if we can ever make a smooth, smart, and saucy 1957 model out of a 1938 agricultural program merely by patching and plugging and repainting the component parts. There have been too many changes in agriculture since 1938 and we must face the facts of life. Twenty years ago we did not have any dacron and nylon or other synthetic fibers. Cotton was a lot more basic 20 years ago than it is today.

Twenty years ago you ladies were not dieting quite so much. You were eating a lot more bread, and people were buying flour by the 24-pound and 48-pound bag. Down South they were buying it by the 200-pound barrel. Wheat was a lot more basic then. And what about corn? The Iowa-Illinois-Indiana corn bloc tells us that corn is just as basic as it ever was, that it is the whole life-and-death key to the livestock and poultry production in this country. But now just a minute; what is the whole story? Corn is just about 50 percent as basic as it was 20 years ago and therein lies the root of the whole problem.

Twenty years ago the people in the Corn Belt were producing a 200-pound hog with 22 or 24 bushels of corn. But they are not feeding that way any more. They are producing a 200-pound hog with 12 bushels of corn and 100 pounds of protein supplement, soybean or cottonseed meal. Now, which is basic, the corn or the soybean and the cottonseed meal?

On hogs, we have to face it that the corn market potential has been cut 50 percent by changes in feeding methods. I am not saying that it was wrong. I am just saying let us be realistic and recognize what has happened.

Poultry rations today are made up mostly of small grains, maize or milo because producers have found them better or more economical.

Less than one-fourth of the current dairy ration is corn. That is a big change from 20 years ago.

And what about beef? The latest figures for 13 States, including the 9 Corn Belt States, show that less than 5 percent of the cattle are fed anything but grass and protein supplement for as much as 6 months, and less than 25 percent of the cattle in this country ever see any corn for as much as 3 months out of the year. By far the biggest portion of the beef produced in this country today is grass-fed, with a little cottonseed or soybean supplement during the winter months.

I had a steak in one of the restaurants on Capitol Hill the other day and I guarantee that that bull never saw an ear of corn. I think he was fed on Johnson grass and Jimson weed.

Changes in feeding habits all over the Nation and including the corn belt have seriously reduced the demand for corn in the past 20 years. Yet, the corn bloc apparently insists on 51 million basic acres, just like old times. And 55 million acres of corn, will be grown, whether Congress applies this patch to the crazy quilt farm program or not.

Let me ask, why did not the corn States come here with a program to increase the usage of corn by offering a premium for lean-type corn-fed pork or for Choice and Prime corn-fed beef? Why did not somebody come in here with a program to convert that corn to some finished food for the people over 65, who are struggling desperately to get by on \$30 a month social security payment or less in these days of cold-war inflation? Or to some food we could store for defense in the event of enemy attack?

Why did not somebody come in with a proposal to pay the farmer a decent, honest price for reasonable production so that he would not have to plant every one of his acres? Why not a program to get more corn into foreign markets, even at a loss?

No, what we are offered is another patch on a gigantic soil bank program of \$1 billion for bare acres to get people not to produce 6 basic crops.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

(Mr. BROWN of Missouri asked and was given permission to proceed for 2 additional minutes.)

Mr. BROWN of Missouri. Let us be honest. Have any of you seen some of these soil bank acres in the corn belt that were placed in the soil bank? Do you know what they were? Were they corn acres? They were, in many instances, the worst acres on the man's farm, often just brush, plain brush; and yet Mr. Benson paid those people \$42 an acre rental for 1 year on those brush acres.

Now, if we want to be provincial about this, which I do not want to be, I refuse to be a party to any program that is going to continue \$42 an acre payments for brush in the corn belt when my people cannot get \$42 an acre for their brush in south Missouri.

Now, let us face this problem squarely and get away from this corn bloc, wheat bloc, cotton bloc approach to the farm problem. Let us look at the whole national farm picture, not as acres but as people. We have approximately 5 to 5½ million farm families in the United States, owners and tenants. Why can we not look at their problems realistically, on a positive, affirmative approach? If it takes the rest of this Congress, I cannot think of anything that we could do that would serve a greater purpose or benefit this Nation more than to come up with a bold, forward-looking national farm program. Next to world peace, the two gravest problems confronting this Nation are first the farm problem where people have seen their incomes decline in the face of spiraling inflation; and second, the problem of our people over 65 who have seen their incomes stand still in the face of a cold war inflation that they did not cause and could not foresee. Cannot we look at these problems squarely and seek answers that might help solve both of these problems with each dollar?

If it takes the rest of this session, cannot we find a way to get more for our money than to spend \$1 billion and

still not cut back production of unmarketable surpluses of six basic crops that are no longer as basic as they used to be?

Why cannot we face agriculture 1957 instead of patching and repainting agriculture 1938?

Mr. COOLEY. Mr. Chairman, I ask unanimous consent that all debate on the pending amendments close at 3:30.

Mr. AUGUST H. ANDRESEN. Reserving the right to object, Mr. Chairman, that request covers the Harrison amendment, the Cooley-Benson amendment, and the Poage amendments?

Mr. COOLEY. That is right. It covers all the amendments that are now pending.

Mr. AUGUST H. ANDRESEN. I have no objection, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, my interest in this legislation stems from the fact that I am a farmer and a member of the House Committee on Agriculture and all matters before the committee are, in part, my responsibility. When reported to the floor, they become the responsibility, of course, of every Member of the House. The gentleman from Missouri has made some observations which, within the general framework of his remarks, have been very much in my mind as we have had this legislation before our committee. I think he was right when he stated his concern that a great deal of our farm legislation has been, as he described it, patchwork legislation. I am a member of the Family Farm Subcommittee, as it was setup in the last session of Congress. I visited many areas where the family farm is in a very serious situation by virtue of cut-back in acreage under quota legislation on the basic commodities. I certainly have seen and heard the witness of many farmers who are seriously involved in these acreage adjustments. I am very much in sympathy with the problem which the gentleman from Missouri outlined. Let me say to those on my right, and the gentleman from Missouri is in that group, that analyzing this legislation in the light of his remarks or the principles he set forth, I came to a very definite conclusion—that this legislation should not include feed grains at this time. I have expressed to the members of our committee that I am very much interested in the soil-bank legislation being put on the track, you might say, and making it applicable in production adjustments beyond just simply the basic commodities.

My interest in this basic principle, of course, has required me to analyze this legislation and on the basis of that I came to the conclusion that this is not the appropriate time under good, sound procedure to bring in feed grains and the problems incident to legislation of that nature. I say this objectively and not in criticism of those who disagree with me on it, but as one coming out of

the Northeast from a feed-deficit area I have also analyzed these pieces of legislation in respect to the impact in the area. I say, that, of the legislation that you have had presented to you, the impact will be less on the basis of legislation if it deals strictly with corn than it will be if it deals across the whole gamut of feed grains, including corn and all the rest. I say that those of us coming from these feed-deficit areas have something at stake in all farm legislation and, as one Member, I feel a responsibility to express my reasons in relation to this legislation.

[Mr. H. CARL ANDERSEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

The CHAIRMAN. The gentleman from Iowa [Mr. JENSEN] is recognized.

Mr. JENSEN. Mr. Chairman, I would like to endorse the position just taken by the gentleman from Minnesota [Mr. H. CARL ANDERSEN], and I do it because I know and you know, every one of you knows, whether you are a Republican or a Democrat, whether you are in this House or out of this House, any place in America, that the party in power in Congress is going to write this bill in the final analysis, and that the southerners who have a majority on both the House and Senate Agriculture Committees are going to take care of their people. You cannot blame them for that. I try to take care of my people the best I can, and you try to take care of the people you represent here in the Congress of the United States. You cannot condemn the Representatives from the South for looking after their people. They are in power and they are going to have the final say. That is sure.

Let us, therefore, be realistic and get the best we can for the people we represent and in fairness to the taxpayers of America.

The gentleman from Missouri [Mr. BROWN] just made a very interesting speech a few minutes ago. He asked why we from the Corn Belt do not come in here with some recommendations for this and that. I want to inform him that I have joined with Senator MUNDT in a bill which would provide that all of our gasoline be mixed with 5 percent Agrol, alcohol distilled from surplus agricultural products. Do you realize that a 5-percent Agrol mix in all our gasoline would consume in 1 year 1,440,000,000 bushels of grain? We have in Government storage in corn and wheat today just a little over 1,700,000,000 bushels. So if our proposed bill is made law in 15 months we could thus consume every bushel of wheat and corn in Government storage so in a couple of years we would have no occasion to be considering this farm bill here today.

Do you realize that our horses and mules before the advent of the iron horse used to eat the production of 43 million acres of our land? And then we wonder why we have a surplus, and why we have a farm problem in America today, knowing that to be the fact.

Senator MUNDT and I recently appeared before the President's Commission which is looking into the new in-

dustrial uses of farm products. They had a meeting of the full Commission for us with their chemists, their investigators, and research staff, and I am happy to say they are giving the Jensen-Mundt bill very serious attention. They will bring their report to the Congress some time toward the end of this month. We are hoping they will endorse the Jensen-Mundt bill.

The CHAIRMAN. The Chair recognizes the gentleman from Missouri [Mr. CHRISTOPHER].

(Mr. CHRISTOPHER asked and was given permission to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Chairman, I would like to compliment the gentleman from Minnesota [Mr. H. CARL ANDERSEN] for the very good speech he made and also my colleague from Missouri. I should like to address my remarks to Representatives from our big urban centers and I hope they will read the figures which will appear in my extension of remarks. I have a few figures here which I am going to give you.

I have had the statement made to me by a few Representatives from our big cities that they were going to vote against any kind of farm legislation regardless. They seem to have the idea the farmer is lolling in the lap of luxury and that they are being robbed. They are being robbed as far as that is concerned, but the farmer is not doing the robbing.

The city consumer finds these changes in his price since 1 year ago:

Round steak up 3 cents a pound.
Bread up 1 cent a loaf.
Milk up 1 cent a quart.
Coffee up 17 cents a pound.
A month's rent up 2.4 percent.
A pair of men's shoes up 44 cents.
Average man's suit up \$1.18.
A pair of blue jeans for a boy less than 10 years old up 13 cents.
A gallon of gasoline up 1 cent.
A new car up \$138.
One gallon of heating oil up 1 cent.

Mr. Chairman, those things are happening while the American farmer is going broke. I have stated to the Members of this House at different times that you could start a depression on the American farm but you could not keep it there. I have not the time to read all of these figures but I am going to leave them here so that they may be extended in the RECORD.

The profit squeeze—Some well-known companies whose earnings in 1956 were below 1955

	1955	1956	Down
Allis-Chalmers Manufacturing	\$24,805,326	\$20,355,045	18
Massey-Harris-Ferguson	12,168,555	3,159,331	74
Clark Equipment	9,535,626	9,401,357	1
Westinghouse Electric	42,802,747	15,537,061	64
Radio Corporation of America	47,525,465	40,031,245	16
Philco	8,423,329	398,690	95
Motorola	8,500,000	7,970,000	6
General Motors	1,189,477,082	847,396,102	29
Ford	437,000,000	236,600,000	46
Eaton Manufacturing	13,285,496	12,980,828	2
Standard Screw	2,501,214	1,635,775	35

Footnotes at end of table.

The profit squeeze—Some well-known companies whose earnings in 1956 were below 1955—Continued

	1955	1956	Down
United States Steel	370,099,353	347,865,150	6
Bethlehem Steel	180,191,708	161,411,625	10
Scovill	5,507,892	4,256,546	23
Monsanto Chemical	42,169,970	38,645,533	8
Texas Gulf Sulphur	32,356,404	28,135,880	13
Commercial Solvents	3,451,813	2,830,591	18
Ward Baking	1,522,400	1,313,922	14
Continental Baking	7,737,307	7,512,423	3
National Tea	7,236,548	7,007,800	3
United Fruit	33,539,366	30,283,130	10
Boston & Maine R.R.	3,322,667	741,225	78
Union Pacific	79,227,256	78,568,845	1
Budd	13,790,578	9,165,274	34
New York Air Brake	2,144,296	1,870,005	13
Ryan Aeronautical	1,550,590	1,256,769	19
Grumman Aircraft	9,756,500	7,702,892	21
Seiberling Rubber	1,127,085	1,051,049	7
B. F. Goodrich	46,662,127	43,765,431	6
General Time	2,110,412	1,972,148	7
Bausch & Lomb	1,654,886	1,405,016	15
American Viscose	24,709,000	14,909,000	40
Rayonier	15,917,652	13,975,000	12
Armstrong Cork	14,542,289	13,320,380	8
National Gypsum	15,763,690	14,263,528	10
Lihbey-Owens-Ford Glass	36,045,961	29,162,092	19
Republic Pictures	919,034	758,401	17
P. Lorillard	6,596,000	4,519,758	31

¹ Profit decreased even though company did a bigger business in 1956 than in 1955.

² Year ended Oct. 31.

³ Before adjustment for change in inventory valuation. Company reported profit as \$3,492,061 after the change.

⁴ 52 weeks ended on last Saturday of October.

This table shows the decrease in net earnings of many of our large corporations in 1956, in comparison with their net earnings of 1955. Even General Motors lacked 29 percent of making as much money in 1956 as they did in 1954. Ford lacked 46 percent. The Massey-Harris-Ferguson Co. lacked 74 percent of making as much net profit in 1956 as they did in 1955.

The reason is not far to seek. In the last 4 years the American farmer has lost \$9 billion in net income. He has lost \$8,700,000,000 in the inventory value of the livestock on his farm. He has just that much less money to spend for the products of industry.

I hope, Mr. Chairman, that the Members will check these figures I will include in my extension of remarks because they are very revealing and I assure you they cannot be contradicted.

I remember quite distinctly the things which have happened to American agriculture over the past 50 years—because I have been a part of it. The first time in a century that the American farmer ever received anything comparable to a fair share of the national income was during the 4 years of the administration of Woodrow Wilson, and farm prices were at 100 percent of parity when the Republicans took over in 1920.

I will not dwell on those 12 long years during which a farm depression that began in 1921 and 1922 spread further and further until it engulfed industry, labor, the railroads, and the banks. By 1932 the per capita income of farm people had sunk to less than \$100; 15 million laboring people were without jobs; our life-insurance companies were operating under a moratorium; 9,976 banks had failed in the United States, with not a single deposit insured or guaranteed; credit had dried up; factory chimneys had ceased to smoke; and a storm of mort-

gage foreclosures were taking farms, as well as the homes of town and city dwellers, all over the United States.

Then, in utter desperation, the people of the United States, in their hour of misery and ruin, turned to the Democratic Party—the party that has always heard and heeded the cry of distress, want, and misery. The party that has the record of having fed the hungry, clothed the naked, and sheltered the destitute.

I will not list the beneficial legislation which was passed during the first 4 years of Franklin D. Roosevelt's administration. Let it suffice to say that it laid the groundwork for farm programs that, in a 20-year period, raised the per capita income of farm people more than 700 percent. It took this legislation, of which the Democratic farm program was a part, 8 years to pull the American farmer up to 100 percent of parity—but it did do the job. From that time on until 1952 the price of all food and fiber produced on American farms sold for an average of a little more than 100 percent of parity.

When the Republican Party came back into power in 1952, many of us knew the farming industry was headed for trouble; and that grave trouble has developed in the Farm Belt, no one on either side of this aisle doubts for a minute.

Between the dates of December 31, 1952, and December 31, 1956, the American farmer increased his bank debt \$3.1 billion. He increased his farm mortgages \$3.8 billion, and he suffered an inventory loss on the value of his livestock of \$8.7 billion. This is a total loss for these 3 items alone of \$15.6 billion. Now add to this a \$9 billion loss in net income over that same 4-year period and you come up with \$24.6 billion.

People in the cities engaged in manufacturing, merchandising and transportation should never lose sight of the fact that they have no better customer in the world than the American farmer and they should remember that the \$24.6 billion that the farmer lost during that 4-year period, could and would have been spent for the goods and services produced by labor and industry.

If the staggering loss the farmer has suffered had been reflected in lower prices for finished food and fiber to the consumer—it might have some justification, but this has not been the case. The city consumer is paying more for groceries and clothing today than he has ever paid at any time in our history—even in the war years. The cost of living is now 118 percent of the 1943 to 1947 average, and it must be remembered that during the 1943 to 1947 period the farmer was receiving 100 percent of parity, and the cost of living was 18 percent lower than it now is.

Another point I want to make is this. During Democratic farm programs which extended over a period of 20 years, Commodity Credit Corporation had in storage \$2.4 billion worth of farm commodities; but 4 years of bungling and Benson has increased those holdings to \$8.2 billion, and during this same 4 years of time, debt in the United States—both

public and private—has increased \$136 billion.

It makes little difference what sort of farm legislation we pass here in the House today—or if we pass none. Any legislation the Congress may pass will be turned over to Ezra Taft Benson to administer and it has two strikes against it as soon as that is done. Since his appointment, Secretary Benson has demonstrated by every official action that it is his intention to drive farm prices lower and lower; eliminate two million farmers; bring about corporation farming; and destroy the family-sized farm. He has, so far, been quite successful, because while the population of the United States has increased 14.4 millions; the farm population has gone down 1.5 millions and from all indications, we will have Mr. Benson at the helm in the Department of Agriculture for another 4 years.

Let me conclude with this statement. Bankrupt farm prices and Republican administrations have been synonymous for almost a hundred years and this administration is running true to form. It is my hope that it will not take another depression such as we had in 1932 to teach farmers to quit voting the Republican ticket, but I sometimes think it may take just that.

The CHAIRMAN. The Chair recognizes the gentleman from West Virginia [Mr. NEAL].

Mr. NEAL. Mr. Chairman, West Virginia's position with relation to the commercial farmer can be expressed in the soliloquy of the colored boy who, when passing by a large church picnic gathering where copious portions of luscious watermelon were being passed to the participants, dropped his head and was heard to say, "Umm, such good times and me not in 'em."

No matter what existing legislation supporting basic crops or how successful the Congress may be in providing aid to commercial corn growers, the plight of West Virginia farmers, with one exception—the tobacco growers—will remain at the bottom of an economic squeeze. The total of corn loan and storage in West Virginia in 1956 is only 15,903 bushels.

West Virginia is not in the commercial corn area. There are no corn-acreage allotments. Those who have wheat allotments can be counted on one's fingers. Only tobacco growers with allotments can participate in the soil bank.

Corn production falls short of the State's demands for animal feeds. Since most farms are in the family-size class, with no croplands to spare, they cannot qualify for soil-bank aid either in reduced acreage plantings or existing provisions governing conservation payments.

There is just no way our farmers can benefit from provisions of the corn legislation under discussion in this House. During the December referendum only 242 farmers took the trouble to cast their votes and I daresay 95 percent of them were tobacco growers who sought the chance to recoup their diminishing acreages through the soil-bank route.

The debate on this corn bill has developed a clear pattern of antagonism of the wheat and corn growers of the Central and Western States against the producers of other basics in the Southern States, while West Virginia sits on the sidelines unable to escape her proportionate tax burden to support basics nor to avoid paying the increased cost of animal food, and human food and raiment processed therefrom.

If West Virginia's hilly terrain were measured in flat acres, Texas would have little to brag about. Croplands are at a premium. But thousands of acres lie neglected because price support and conservation laws provide assistance only to States with large areas of tillable soil. Were the regulations governing croplands extended to West Virginia hills, suitable for grazing and reforestation, the sturdy young men of the hill countries would no longer be compelled to desert the land of their birth for employment in other fields.

For the sake of future generations, equal attention should be given to preserving the economic welfare of the hill countries where favorable climate, abundant rainfall, and natural beauty prevail, as is being given in subsidies distributed to the less fortunate areas where seasonal drought, wind erosion, and destructive floods are repeated threats to the efforts of the farmer and the crops as well.

Yet, existing farm legislation, instead of encouraging the family-size farm, continues to pay large sums of our tax money to keep the big commercial producers of basic crops, many of whom are sideline operators, from piling up surplus commodities year after year, at the expense of the small and middle class farmer who, if free to do so, could meet the market demand and command a price commensurate with the supply.

With all due respect to past and present lawmakers, legislation designed to solve the farm problems simply serves to complicate and confound the farmer's position and tighten the straitjacket that will eventually enslave him to the bureaucrat.

Witness the plight of West Virginia's dairymen and herders of meat animals. Lacking sufficient croplands to produce an adequate supply of feeds, they are caught in the vise of high cost of animal feeds on the one hand and ridiculously low prices of beef and pork on the other.

West Virginia's receipts for 1956 for livestock and livestock products amounted to four times the amount received from the marketing of crops, including the payments from promiscuous Government subsidies for conservation.

Only a sturdy mountaineer, dedicated to his obligation to make an abundant supply of animal foods available to the rapidly increasing nonfarming population, may be expected to continue an unprofitable contribution without some faint hope for future relief. Let us quit passing farm laws that make second-class citizens in neglected areas of our Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. REUSS. I intend to offer an additional amendment to the Harrison amendment at such time as the Poage amendment is disposed of. Am I correct in assuming that I will be permitted to offer that amendment and speak in behalf of it without limitation of the present limitation of time secured by the gentleman from North Carolina [Mr. COOLEY]; in other words, the 3:30 limitation?

The CHAIRMAN. The Chair understood the unanimous-consent request to be that debate upon the pending amendments would be limited to the 3:30 period.

Mr. REUSS. I just want to make sure, Mr. Chairman, that that does not include additional amendments to the Harrison amendment, which, of course, is the pending amendment.

The CHAIRMAN. The gentleman really asked two questions. One pertains to the parliamentary situation and the other as to the time. The Chair thinks that the gentleman should take his 3 minutes now and discuss his amendment in order, and then he can offer the amendment later.

Mr. REUSS. The amendment is at the desk, and I should like to have it read for the information of the Committee.

The Clerk read as follows:

Amendment offered by Mr. REUSS: Add an additional section as follows: "Eligibility of any producers to receive payments under the programs provided in the Agricultural Act of 1956, as amended, shall be limited to \$5,000 in any one year."

(Mr. REUSS asked and was given permission to revise and extend his remarks.)

Mr. REUSS. Mr. Chairman, this amendment would limit to \$5,000 the amount that any one farmer can receive in any 1 year from the soil bank. The main aim of a good farm program should be to support the income of the family-sized farmer. But in practice much of the benefits of the soil bank—paid for by taxpayers' dollars—are going not to the family-sized farmer but to large agricultural corporations and combinations which have no need for subsidies. As the figures just released by the Department of Agriculture show, here are some of the current payments made under the soil bank:

McCarthy & Hildebrand (California)	\$29,723.53
J. W. B. Farms, Inc. (Colorado) ..	45,817.77
Garvey Farms (Colorado and Kansas)	61,354.50
Kupchunoe Bros., Inc. (Connecticut)	29,829.51
J. E. Shepard (Connecticut)	40,162.55
Adams Bros. & Co. (Iowa)	49,248.00
Duward Harper (Texas)	30,737.22
George C. Chance (Texas)	48,093.00
Tom Moore (Texas)	40,793.40

These lavish payments repeat what we have been guilty of for some time under the price-support program. Commodity Credit loans in 1 year of \$1,900,000 had been made to Delta & Pine Land Co., to United States Wheat Corp. of \$348,000

in 1 year, to Leo Horrigan Farms of \$354,339 in 1 year, and to Adams Bros & Co. of \$190,000 in 1 year.

Last year Secretary of Agriculture Benson paid out \$179 million of taxpayers' money in soil-bank payments to corn farmers alone. Under the amendment of the gentleman from Nebraska [Mr. HARRISON], additional corn farmers would qualify under the soil bank, and thus the amount of payments would presumably increase. Certainly we can lop from this amount that portion which is made not to the family-sized farmer but to the corporation farmer. The \$5,000 limitation to any one farm producer means that Government help will go where it is needed, not where it is not needed. Aid to the large-scale producer merely increases the tendency away from the family-sized farm. If everyone who has said a good word for economy in Government and for the family-sized farmer in the last few days will vote for this amendment, it should pass unanimously.

Mr. KEATING. Mr. Chairman, would the gentleman yield?

Mr. REUSS. I yield to the gentleman from New York.

Mr. KEATING. Mr. Chairman, I want to say that while I am opposed to the bill I do favor the amendment offered by the gentleman from Wisconsin [Mr. REUSS]. Many of the most vigorous criticisms of the farm program have arisen from these large payments made to big corporate-type farms. I think the step the gentleman is proposing is a wise one. I hope his amendment carries.

Mr. REUSS. I thank the gentleman.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana [Mr. BEAMER] for 3 minutes.

(Mr. BEAMER asked and was given permission to revise and extend his remarks.)

Mr. BEAMER. Mr. Chairman, I do not come before the Committee as an expert in agriculture, but I do come to speak to the Committee very briefly and very sincerely because I was raised on a farm in the Corn Belt; I have helped as perhaps many of you have helped to plant, to hoe, to cultivate, and garner a crop of corn.

I want to urge this upon every Member. Today I am going to suggest that everybody offer a prayer that Republicans and Democrats, particularly from this great Corn Belt will somehow, in some way, get together and support a bill without making a partisan issue of it, such as has been demonstrated here previously.

I have read this proposed legislation with a great deal of care. Members may find my comments thereon in the CONGRESSIONAL RECORD of March 6. Mr. Chairman, you will note that I referred to the Harrison bill, H. R. 4555, which I understand is the substitute that has been offered.

I also have a letter from the gentleman from Ohio [Mr. POLK] who has offered a similar bill. I am quite sure all Members have received letters and explanations from these two Members clearly defining and outlining the pur-

pose and intent and content of the proposed legislation. It is not confusing if you will read the statements of these two gentlemen.

For that reason I shall support those Members who want to defeat the Poage amendment; and I say this in all kindness to the gentleman from Texas because I have a high regard for him. To me it is just another plan of confusion. Apparently it is just another demonstration of delaying tactics such as were used last week and the delaying tactics that were used in the preparation and presentation of the soil-bank plan last year.

I am going to suggest one more thing that is very, very important. Do not forget that in our area—and may I interpolate that approximately 49 percent of the corn is raised in 4 States—the 4 States are Indiana, Illinois, Iowa, and Nebraska. How many Members are there on the Committee on Agriculture from those States? Only four. The gentleman from Nebraska [Mr. HARRISON] is one of them. He knows what he is talking about. I am quite sure the other Members from those States know what they are talking about. We live there. Corn is not corn alone. It is so many pounds of pork and so many pounds of beef.

The gentleman from Missouri made a statement a few minutes ago that we are raising more hogs on less corn. Yes we are, but do not forget we are raising many more hogs and cattle and consumption has increased because the population has increased. Consequently we are having a demand for more corn than ever before despite the fact that today we are adding supplementary protein feeds, as we properly should.

Letters and telegrams from the district that I have the privilege to represent and from other sections of Indiana definitely support the Harrison bill which we now are supporting. In fact, the Indiana Farm Bureau has expressed itself in support of these same principles for the corn farmer.

Incidentally, the Farm Bureau has more than 131,000 members in Indiana. Their resolutions and recommendations originate from the grass roots meetings of the local or township units. Thus, these recommendations of Farm Bureau members and others in the Corn Belt should be respected because they know the corn problems.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. MATTHEWS].

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. MATTHEWS. I yield to the gentleman from Texas.

Mr. POAGE. The gentleman from Indiana just pointed out that there were only 4 members on the Committee on Agriculture from the 4 largest corn States, and suggested they were the only ones who knew anything about corn.

I just wanted to point out that, in deference to that viewpoint, but without accepting it, the amendments I have pending recognize and accept that viewpoint and accept word for word the proposal of the distinguished gentleman from Nebraska, who has been cited as

being an authority, and a proper spokesman for the commercial corn area. My amendment lets him write every word that relates to the commercial Corn Belt. Then I thought it might be permissible for some of those of us who do not live in the commercial Corn Belt to write some of the phraseology that relates to the sections outside the commercial Corn Belt. That is exactly the way the amendments were prepared.

Mr. MATTHEWS. I thank the gentleman from Texas for that observation.

Mr. Chairman, I am going to favor the Poage amendment to the Harrison substitute because I believe it helps the corn farmers of America. I think they desperately need help as well as all of the other farm segments of our economy. I think it tries to do something to keep the supply of feed grains from being overproduced, from having an overproduction of feed grains, which I believe will further depress the prices of our livestock and our poultry. I think the Poage amendment to the Harrison substitute will prevent this bill from costing one dime more.

May I say, Mr. Chairman, how much I have enjoyed this earnest debate today. I have seen both sides of the aisle try to get together on this problem. I want to tell my colleagues who come from the corn area how much I appreciate their attempt to help us solve this problem. I sincerely hope we do not ever forget that the farm segment of this economy, despite all we try to do, is still the segment that needs the most help. We are not going to get that help and get the kind of program we need for them unless we can cooperate in all of these programs, the price supports, the section 32 funds, and the marketing agreements, and try to do just one little thing, and that is, give the farmer a fair share of the consumer's dollar. Until he gets a fair share of the consumer's dollar his problems cannot be solved. I hope we earnestly continue to strive for progress in that respect.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. SIMPSON].

(Mr. SIMPSON of Illinois asked and was given permission to yield the time allotted to him to Mr. AUGUST H. ANDRESEN.)

(Mr. ARENDS asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. ARENDS. Mr. Chairman, I rise in support of the pending amendment, in the nature of a substitute, offered by the gentleman from Nebraska [Mr. HARRISON]. It is identical with the measure introduced by the gentleman from Ohio [Mr. POLK], and along the same lines as a bill I previously introduced.

The pending amendment has the support of the American Farm Bureau, which is the largest and finest farmers' organization in the country. It has the active support of the vast majority of corn farmers. And it is my understanding that it has the approval of the Secretary of Agriculture.

It is generally agreed that there is an urgent need for corn legislation, and the pending amendment will meet that need.

It meets the emergency need not only of the corn farmer. It meets the need of the livestock producer, the dairy farmer, and the poultry raiser for a stabilization of prices.

There is nothing really new or novel in the pending proposal. It simply presents to the corn farmer an option which was offered in the referendum last December. It gives to the minority the program they wish, of staying within the 37.3 million corn acreage allotment with price support of at least \$1.36 per bushel. It also gives to the majority the program they wish, of higher acreage at 51 million at lower price support of \$1.31 per bushel, but with the requirement that an acreage of cropland equal to 15 percent of the base be placed in the soil bank.

In the December referendum 61.5 percent of the corn farmers voted for the soil-bank base with lower price supports. In my home State of Illinois it was 80.8 percent who so voted this preference of program. The pending amendment simply gives these farmers the very program we offered in the Agricultural Act of 1956.

In the referendum only 38.5 percent said they preferred the lower acreage allotment with higher price supports. In my home State of Illinois the percentage who so voted was only 19.2. Nonetheless, the pending bill as a substitute for the measure reported by the Committee on Agriculture would give these corn farmers, although a small minority, the very program they want.

And so I say, there is nothing really new or novel about the amendment offered by the gentleman from Nebraska [Mr. HARRISON].

A point to be emphasized is that it does not increase the cost in the price support and soil-bank programs over that which we proposed in the Agricultural Act of 1956. Yesterday we heard much about the budget and the need for economy. Now is our opportunity to vote for economy by voting for this amendment. The committee bill would add between \$500 million to \$1 billion to the already heavy cost of the agriculture program.

The pending amendment does not grant any special privilege to the corn farmer. On the contrary, it corrects an inequity of existing law. The producers of cotton, rice, wheat, peanuts, and some types of tobacco are provided by existing law with minimum allotments. This is denied the corn farmer. That is why he is faced with an acreage cut in 1 year from 56 million to 37 million.

If the wheat farmer were on a comparable basis, with no minimum allotment protection as now denied the corn farmer, he would be faced with an acreage cut from 55 million to 12.4 million. If the cotton farmer were in the same position as the corn farmer with respect to the agriculture program, he would be faced with an acreage cut from 17.6 million to 3.9 million.

And so I say again by this amendment we are not granting the corn farmer a special privilege. We are correcting an inequity.

By this amendment we are not only helping the corn farmer, we are helping

the producers of beef, pork, poultry, eggs, and milk, as well as mutton and lamb. It must be borne in mind that a large part of corn is used for feed. But corn farmers are the only farmers producing feed grains who are required to cut acreage to be eligible for price support. Producers of basic commodities have been free to shift acreage out of such crops as cotton, wheat, peanuts, and tobacco into feed grains. As these substitutes for corn are fed to livestock and poultry, corn has been locked up in Government storage bins and, at the same time, the corn farmer has to take a corn acreage reduction. It is unfair to saddle the corn farmer with this burden.

The proposal of the gentleman from Nebraska [Mr. HARRISON] is a reasonable method of doing something constructive about the corn situation now before corn planting time. I urge its adoption. It is emergency legislation to be effective for only 1 year. As soon as this is enacted we can then proceed with the bigger and more complicated problem of balancing feed supplies of all kinds in accordance with market demands.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, a year ago under the leadership of the gentleman from Texas [Mr. POAGE] and those from the South and Southwest, they delayed for months and finally were able to pass the first monstrosity of a farm bill, which President Eisenhower vetoed. We then passed a new and workable soil bank farm bill. Now it appears they, POAGE and COOLEY, have come back to try to get everything that they lost at that time which they should not have because it was our purpose who were trying to help all phases of agriculture, to confine the soil bank only to the six basic crops. A great mistake can be made here today if we fail to meet the corn emergency. Some have been trying to play down the importance of corn. I should like to point out that the Department of Agriculture has recently given out these figures, which shows the importance of corn. For 1956, the corn production had a value of \$4,571,000,000 as against cotton \$2 billion, wheat \$2 billion, and tobacco a little over \$1 billion. Feed grains are not even mentioned. It appears there are people here today who would prevent the right kind of legislation that would help all phases of our agriculture from being passed on the floor of this House in order to protect feed grains which were not even mentioned, and probably if they were mentioned have a value of perhaps \$500 million. What we hope to do here today is to give the farmers what they voted for, the 37-million-acre program and 51 million acres last December. We can give them, in the Harrison bill, their choice of each program, which is supported and which has been endorsed by the Farm Bureau Federation of 1,500,000 farmers and which is backed by the Illinois Agricultural Association of my State with 200,000 members. We can give all the farmers who participated in the referendum last December what they

chose and what they voted for. In that way we can do something for a basic farm crop upon which livestock depends, and livestock provides about 55 percent of the corn farmers' income. I hope we will finally come through and pass the Harrison amendment.

The passage of this bill will make a direct and effective attack to reduce surpluses that have been depressing all phases of agriculture.

It is a compromise which I repeat will give the farmers of the Nation what they voted for in the corn referendum last December, when 61½ percent of them voted for the 51 million acre base, and it will also give the 38 percent who voted for the 37¼ million corn allotment just about what they voted for.

In my State of Illinois, last December, 52,925 farmers voted for the 51 million acre corn base program while only about 12,655 Illinois farmers voted for the 37 million acre corn allotment base.

This legislation can and should be passed promptly. Neither of these bills will increase the cost in 1957 of the price support and soil bank programs, which were offered to corn farmers by the Agricultural Act of 1956.

Farmers have their allotment notices under these programs, so that administrative action to put the programs into effect will be as small as possible.

The Harrison amendment would give the farmers what they have signified they desired by their vote in the corn referendum in December, and is the quickest way to put a workable program into effect.

It is for 1 year only, and this legislation will result in a substantial reduction in corn production in 1957; will help stabilize livestock, dairy and poultry prices, and meet the emergency affecting the corn and livestock producers of the Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. POLK].

(Mr. POLK asked and was given permission to revise and extend his remarks.)

Mr. POLK. Mr. Chairman, as is well known I have supported the Andresen bill both in the committee and in the vote last Thursday. Today I am supporting the Harrison amendment as the best compromise on corn legislation that can be passed at this time. At the time the gentleman from Nebraska [Mr. HARRISON] presented his amendment, I had a similar amendment prepared and would have offered it had he not been recognized to offer his amendment. I am very much interested in securing a workable corn bill. I am deeply concerned about the provisions that the gentleman from Texas [Mr. POAGE] has offered in his amendment. Substantially, the Poage amendment which is before us is section 2 of the bill H. R. 4901. It is a very broad, inclusive measure which I believe will cause serious difficulty. I am urging the Members on my side of the aisle to vote "no" on the Poage amendment. I would like to point out that the Poage amendment states that compensation under this subsection shall be at the rate per acre of the rate

per bushel of corn. Those of us who have had any practical experience with farming know that it costs a whole lot more to produce a crop of corn than it does a crop of rye or oats or barley or any of the other small grains. For this and many other reasons I favor the Harrison proposal without amendment.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. AUGUST H. ANDRESEN asked and was given permission to revise and extend his remarks.)

Mr. ALGER. Mr. Chairman, if only authorities on farm matters had spoken to us in clear and understandable, if not statesmanlike, terms, I would hesitate to participate. Since this is not so, and since I represent many overburdened taxpayers paying for the farm subsidies, I would like to add another thought. Why has not someone suggested that there are too many farmers producing; that overproduction is being encouraged by Government bonuses; that "doing nothing" is being subsidized by the soil-bank payments? Could it not also be said that since the *Mayflower* pilgrims landed our Nation has gradually been industrialized, with farmers leaving the farm to seek their fortunes elsewhere. The open market of supply and demand was the balance factor. Obviously when the free market counterbalances are upset by Government's artificial bonuses and subsidies, our free enterprise economy is put in a tailspin. So we have done it to ourselves. Our present farm mess is the result of our own shortcomings. It seems to me that in refusing to recognize and to discuss the causes of the unfortunate farm situation, we are assuring the failure of our proposed solutions. If we do not honestly recognize the cause of our farm problem, namely, overproduction through Government subsidy—too much produced by too many—how can we correct the situation? Certainly we cannot solve the corn or farm problems by political bloc votes of Republicans and Democrats competitively offering more of the taxpayers' money to the farmers. Such a course is immoral and unrealistic.

The CHAIRMAN. The gentleman from North Carolina [Mr. COOLEY] is recognized to close the debate.

Mr. COOLEY. Mr. Chairman, it seems to me very reckless statements have been made here with reference to this important matter. I do not know where the gentleman from Minnesota could have possibly obtained the information as to the additional cost involved in the Poage amendment. Everyone on the floor of the House already knows that we have committeemen in every corn-growing community in America.

The gentleman from Mississippi [Mr. ABERNETHY] made a statement which I think is absolutely accurate, that the Poage amendment would not add one single dollar to administrative costs nor would it add one additional employee in the Department of Agriculture.

You talk about the cost of the Poage amendment. It is completely limited. Permit me to read it to you:

For compensation to producers under the 1957 acreage reserve programs for wheat, cotton, rice, and tobacco, which on April 1, 1957, have not been obligated.

There is your limitation; you cannot go beyond the money now in the Secretary's Department for this purpose.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. No; I have only 3 minutes.

Here is the final proposition which you have before you. I said I would vote for the bill if you adopt the Poage amendment to the Harrison amendment, or if you adopt the Poage amendment to my amendment I will still vote for it, or if you adopt the Poage amendment to the Andresen amendment, I will vote for it.

We want a bill. What we are trying to do is to help the corn farmers inside the area and outside the area by permitting the farmers outside to participate in this program in a limited fashion. If you do not do that, where is all this tobacco, cotton, and wheat land going? It is going into the production of some other grain. We know this is true, because the Secretary of Agriculture and Mr. McLain both told us just that.

If you want a corn bill, this is your chance to have one. If you do not adopt the Poage amendment to either one of these two propositions, it is plain to see you will not have a corn bill.

The CHAIRMAN. The time of the gentleman from North Carolina has expired. All time has expired.

The question is on the amendment offered by Mr. POAGE to the amendment offered by Mr. HARRISON of Nebraska.

Mr. COOLEY. Mr. Chairman, in the interest of time I ask for tellers.

Tellers were ordered; and the Chair appointed as tellers Mr. POAGE and Mr. AUGUST H. ANDRESEN.

The Committee divided, and the tellers reported that there were—ayes 139, noes 159.

So the amendment to the amendment was rejected.

The CHAIRMAN. The Chair recognize the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS to the amendment offered by Mr. HARRISON of Nebraska: Add an additional section as follows: "Eligibility of any producers to receive payments under the programs provided in the Agricultural Act of 1956, as amended, shall be limited to \$5,000 in any 1 year."

The CHAIRMAN. The question is on the amendment.

The amendment was agreed to.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Texas [Mr. POAGE], to the substitute amendment offered by the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, in the interest of time, I demand tellers.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. AUGUST H. ANDRESEN. As I understand it, we are now voting, by teller vote, on the Cooley substitute to the committee bill.

The CHAIRMAN. No. The Chair will state for the gentleman's information that we are voting upon the amendment offered by the gentleman from Texas [Mr. POAGE], to the substitute amendment offered by the gentleman from North Carolina [Mr. COOLEY]; in other words, the vote is on the Poage amendment.

Mr. VORYS. Mr. Chairman, is that not the identical vote we just had?

Mr. AUGUST H. ANDRESEN. As I understand, we just had a vote on the Poage amendment.

The CHAIRMAN. The vote just taken was on the Poage amendment offered to the Harrison amendment. This vote is on the Poage amendment offered to the Cooley substitute.

Tellers were ordered, and the Chairman appointed as tellers Mr. POAGE and Mr. AUGUST H. ANDRESEN.

The Committee divided, and the tellers reported that there were—ayes 141, noes 168.

So the amendment to the amendment was rejected.

Mr. REUSS. Mr. Chairman, I offer an amendment to the Cooley substitute.

The Clerk read as follows:

Amendment offered by Mr. REUSS to the amendment offered by Mr. COOLEY: Add an additional section as follows:

"Eligibility of any producer to receive payments under the programs provided in the Agricultural Act of 1956, as amended, shall be limited to \$5,000 in any one year."

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. COOLEY] to the amendment offered by the gentleman from Nebraska [Mr. HARRISON].

Mr. COOLEY. Mr. Chairman, in the interest of time, I ask for tellers on this vote.

Tellers were ordered, and the Chairman appointed as tellers Mr. ABBITT and Mr. AUGUST H. ANDRESEN.

The Committee divided, and the tellers reported there were—ayes 141, noes 167. So the amendment was rejected.

Mrs. KNUTSON. Mr. Chairman, I offer an amendment which is at the desk.

The Clerk read as follows:

Substitute proposed by Mrs. Knutson as amendment to Harrison amendment:

"That section 101 of the Agricultural Act of 1949, as amended, is amended by adding at the end thereof a new subsection, as follows:

"(g) The level of price support for corn to cooperators within the commercial corn-producing area for the 1957 crop shall be not less than \$1.60 per bushel for not to exceed for any one producer 14,000 bushels multiplied by the ratio that the total sales of corn by such producer bears to the total sales by such producer of all farm commodities."

"Sec. 2. Section 328 of the Agricultural Adjustment Act of 1938, as amended, is amended by adding at the end thereof the following: 'Notwithstanding any other provision hereof, the acreage allotment for corn for 1957 shall not be less than 51 million acres.'

"Sec. 3. Section 408 (b) of the Agricultural Act of 1949, as amended is amended by inserting after the first sentence thereof the following: 'For the purpose of price support in the commercial corn-producing area for the 1957 crop, a "cooperator" shall be a producer (1) on whose farm the acreage of corn to be harvested for grain does not exceed 85 percent of the farm-acreage allotment for corn; and (2) who devotes in acreage of cropland (tilled in normal rotation), at the option of the producer, to either the acreage-reserve program for corn or the conservation reserve program equal to 15 percent of such producer's farm-acreage allotment for corn.'"

(Mrs. KNUTSON asked and was granted permission to extend her remarks at this point in the RECORD.)

Mrs. KNUTSON. Mr. Chairman, section 1 provides that corn in the commercial corn-producing area shall be supported at \$1.60 per bushel, only about 65 or 70 percent of a fair parity income, but only the family-farm production part of the first 14,000 bushels of corn of each producer would be eligible for support. This is to prevent the program from extending its major benefits to the factory-type agricultural production units but would be a real help to the family-type farm. Every producer is protected up to the proportional part for corn of the 14,000 bushel family-farm limitation, but no producer would be eligible for the \$1.60 supports on any more than the 14,000 bushels. Every producer would be eligible on his entire production for the 75 percent of price parity supports in existing law.

Section 2 of my substitute motion provides for establishment for 1957 of a 51-million-acre acreage allotment for corn in the commercial corn-producing area instead of approximately 37 million established in existing law. Producers would be required to place 15 percent of their tillable land in the soil bank as a condition of eligibility for price supports and could harvest corn from only 85 percent of their corn acres.

Section 3 provides that all a corn producer in the commercial corn-producing area needs to do to qualify for the \$1.60 per bushel support level on the proportional part of his first 14,000 bushels is to keep his corn plantings within 85 percent of acreage allotment for his farm and devote an equivalent to the 15 percent of any tillable to the conservation or acreage reserve. For the average producer the acreage allotment under this amendment for 1957 would be almost two-fifths larger than the acreage allotment already assigned to the average farm under the 37-million-acre allotment under existing law, and is equal to the base acreages that have already been assigned to each farm.

With the support level set at \$1.60 per bushel with a national allotment of 51 million acres in 1957, you can be sure that participation will be very high. The production of corn will be cut and farm prices and incomes raised without resorting to the heavy payments and Commodity Credit Corporation losses contemplated under the Harrison-Polk amendment. Under the Andresen amendment and the Harrison-Polk amendment, the commercial area corn producers would be required to make the adjustments required to help all corn

and feed-grain producers. But under the Knutson amendment, commercial area corn producers would not be required to do so at a financial loss to themselves and the Government. Moreover, adoption of my amendment will raise market prices of corn at least to the \$1.60 support level, and this in turn would raise the market prices of non-commercial corn and the other feed grains well above the 70 percent tragically low parity price level to which Secretary Benson recently reduced them.

The CHAIRMAN. The question is on the substitute amendment offered by the gentlewoman from Minnesota [Mrs. KNUTSON] to the amendment offered by the gentleman from Nebraska [Mr. HARRISON].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Nebraska [Mr. HARRISON], as amended.

Mr. JONES of Missouri. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES of Missouri. Has debate been closed on the Harrison amendment?

The CHAIRMAN. That is correct. The debate was closed.

Mr. JONES of Missouri. A further parliamentary inquiry, Mr. Chairman.

If the amendment is adopted, then is the bill still open to debate?

The CHAIRMAN. No. The bill will not be open for further debate if the Harrison amendment is agreed to.

Mr. JONES of Missouri. I thought the request was that the debate be closed on the amendment and all amendments thereto.

The CHAIRMAN. That is correct, but the Harrison amendment is pending, and it is in the nature of a substitute for the bill.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, I demand tellers on the vote.

Tellers were ordered, and the Chair appointed as tellers Mr. AUGUST H. ANDRESEN and Mr. JONES of Missouri.

The Committee divided, and the tellers reported that there were—ayes 174, noes 155.

So the amendment, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. HAYS of Arkansas, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill H. R. 4901, to establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes, pursuant to House Resolution 181, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The question was taken; and on a division (demanded by Mr. COOLEY) there were—ayes 169, noes 139.

So the amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MORANO. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MORANO. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MORANO moves to recommit the bill to the Committee on Agriculture.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. COOLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 168, nays 237, answered "present" 1, not voting 26, as follows:

[Roll No. 22]

YEAS—168

Abbutt	Ferland	Pilcher
Abernethy	Forrester	Pillion
Addonizio	Fountain	Poage
Alexander	Frazier	Porter
Anderson,	Friedel	Preston
Mont.	Fulton	Rabaut
Andrews	Garmatz	Radwan
Anfuso	Gary	Reed
Ashmore	Gathings	Riehlman
Auchincloss	Gordon	Rivers
Bailey	Granahan	Roberts
Barden	Grant	Robeson, Va.
Baring	Green, Oreg.	Rodino
Barrett	Hale	Rogers, Colo.
Bass, N. H.	Haley	Rogers, Fla.
Bass, Tenn.	Hardy	Rogers, Tex.
Becker	Harrison, Va.	Rutherford
Bennett, Fla.	Healey	Santangelo
Blatnik	Hemphill	Saund
Biltch	Herlong	Saylor
Boggs	Huddleston	Scott, N. C.
Boiland	Jennings	Selden
Boykin	Jones, Mo.	Shelley
Boyle	Karsten	Sheppard
Breeding	Keating	Shuford
Brooks, La.	Kelly, N. Y.	Sieminski
Brown, Ga.	Keogh	Sikes
Brown, Mo.	Kilday	Sisk
Buckley	Kilgore	Smith, Kans.
Burleson	Kirwan	Smith, Miss.
Byrne, Pa.	Kitchin	Smith, Va.
Canfield	Knutson	Sullivan
Cannon	Landrum	Taber
Chudoff	Lane	Teller
Coad	Lanham	Thomas
Coffin	Lennon	Thompson, La.
Colmer	Lesinski	Thompson, N. J.
Cooley	Long	Trimble
Corbett	McCarthy	Tuck
Cretella	McGovern	Udall
Davis, Ga.	McMillan	Ullman
Dawson, Ill.	Macdonald	Vanik
Delaney	Machrowicz	Vinson
Dingell	Magnuson	Wainwright
Dollinger	Mahon	Walter
Dorn, N. Y.	Marshall	Wharton
Dorn, S. C.	Matthews	Whitener
Dowdy	Metcalf	Whitten
Durham	Miller, N. Y.	Williams, Miss.
Evins	Morano	Williams, N. Y.
Fallon	Multer	Willis
Farbsteln	Murray	Winstead
Fascell	O'Brien, N. Y.	Wright
Feighan	O'Neill	Yates
Fino	Ostertag	Zelenko
Fisher	Passman	
Fogarty	Pelly	

NAYS—237

Adair	Andresen,	Ayres
Albert	August H.	Baker
Alger	Arends	Baldwin
Allen, Ill.	Ashley	Bates
Andersen,	Aspinall	Baumhart
H. Carl	Avery	Beumer

Beckworth	Harden	Neal
Belcher	Harris	Nicholson
Bennett, Mich.	Harrison, Nebr.	Nimtz
Bentley	Harvey	Norblad
Berry	Haskell	Norrell
Betts	Hays, Ark.	O'Brien, Ill.
Boiling	Hays, Ohio	O'Hara, Ill.
Bonner	Henderson	O'Hara, Minn.
Bosch	Heseltan	O'Konski
Bow	Hess	Osmers
Bray	Hiestand	Patman
Brooks, Tex.	Hill	Patterson
Broomfield	Hillings	Perkins
Brown, Ohio	Hoeven	Pfost
Brownson	Hoffman	Philbin
Broyhill	Holfield	Poff
Budge	Holland	Polk
Burdick	Holmes	Price
Bush	Horan	Prouty
Byrd	Hull	Rains
Byrne, Ill.	Hyde	Ray
Byrnes, Wis.	Ikard	Reece, Tenn.
Carnahan	James	Rees, Kans.
Carrigg	Jarman	Reuss
Cederberg	Jenkins	Rhodes, Ariz.
Celler	Jensen	Rhodes, Pa.
Chamberlain	Johansen	Robison, Ky.
Chelf	Johnson	Rogers, Mass.
Chenoweth	Jonas	Rooney
Chiperfield	Jones, Ala.	Roosevelt
Christopher	Judd	Sadlak
Church	Kean	Schenck
Clark	Kearns	Schwengel
Clevenger	Kea	Scott, Pa.
Cole	Kecney	Scrivner
Collier	Kelley, Pa.	Scudder
Cooper	Kilburn	Seely-Brown
Coudert	King	Sheehan
Cramer	Kluczynski	Simpson, Ill.
Cunningham,	Knox	Simpson, Pa.
Iowa	Krueger	Smith, Calif.
Cunningham,	Laird	Smith, Wis.
Nebr.	Latham	Spence
Curtin,	LeCompte	Springer
Curtis, Mass.	Lipscomb	Staggers
Curtis, Mo.	Loser	Stauffer
Dague	McConnell	Steed
Davis, Tenn.	McCormack	Talle
Dawson, Utah	McCulloch	Taylor
Dempsey	McDonough	Teague, Calif.
Dennison	McFall	Tewes
Denton	McGregor	Thompson, Tex.
Devereux	McIntire	Thomson, Wyo.
Dixon	McIntosh	Thornberry
Donohue	McVey	Tollefson
Dooley	Mack, Ill.	Utt
Doyle	Mack, Wash.	Van Pelt
Dwyer	Madden	Van Zandt
Edmondson	Martin	Vors
Elliott	Mason	Vursell
Engle	May	Watts
Fenton	Meador	Weaver
Flood	Morrow	Westland
Ford	Michel	Widnall
Frelinghuysen	Miller, Calif.	Wier
Gavin	Miller, Md.	Wigglesworth
George	Miller, Nebr.	Wilson, Calif.
Gray	Mills	Wilson, Ind.
Gregory	Mlushall	Withrow
Griffin	Moore	Wolverton
Griffiths	Morgan	Young
Gubser	Morris	Younger
Gwinn	Moss	Zablocki
Hagen	Mumma	
Halleck	Natcher	

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—26

Allen, Calif.	Gross	Morrison
Bolton	Hébert	Moulder
Bowler	Holt	Powell
Dellay	Holtzman	Riley
Dies	Hosmer	St. George
Diggs	Jackson	Scherer
Eberharter	Kearney	Siler
Flynt	Lankford	Teague, Tex.
Green, Pa.	Maillard	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Hébert for, with Mr. Kearney against.
 Mr. Morrison for, with Mrs. Bolton against.
 Mr. Holtzman for, with Mr. Scherer against.
 Mr. Riley for, with Mr. Dellay against.
 Mr. Teague of Texas for, with Mr. Jackson against.
 Mr. Dies for, with Mr. Holt against.
 Mr. Derounian for, with Mr. Moulder against.

Mr. Bowler for, with Mr. Maillard against.
 Mr. Green of Pennsylvania for, with Mr. Allen of California against.
 Mr. Lankford for, with Mr. Siler against.
 Mr. Powell for, with Mr. Hosmer against.

Until further notice:

Mr. Flynt with Mrs. St. George.
 Mr. Eberharter with Mr. Gross.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I respectfully request that the well be cleared.

The SPEAKER. Does the gentleman from Minnesota want to insist on that request? I am afraid if he does we will be doing it for a long time.

Mr. AUGUST H. ANDRESEN. Yes, Mr. Speaker, I respectfully request that the well be cleared.

The SPEAKER. Then we will be doing it every vote.

Members will retire from the well and submit their requests from their seats.

Mr. DELANEY, Mr. FRIEDEL, Mr. MAGNUSON, Mr. CANNON, and Mr. ASHMORE changed their vote from "nay" to "yea."

Mr. CHRISTOPHER and Mr. RAINS changed their vote from "yea" to "nay."

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from Missouri [Mr. MOULDER] who is in New York on official business. Had he been present he would have voted "nay." I therefore withdraw my vote of "yea" and vote "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MARTIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 188, nays 217, answered "present" 1, not voting 26, as follows:

[Roll No. 23]

YEAS—188

Adair	Coad	Henderson
Albert	Collier	Hess
Allen, Ill.	Cooper	Hiestand
Andersen,	Cramer	Hill
H. Carl	Cunningham,	Hillings
Andresen,	Iowa	Hoeven
August H.	Cunningham,	Hoffman
Arends	Nebr.	Holmes
Ashley	Curtin	Horan
Aspinall	Curtis, Mass.	Hull
Avery	Dague	Hyde
Ayres	Davis, Tenn.	Ikard
Baker	Dawson, Utah	Jarman
Baldwin	Dennison	Jenkins
Bass, Tenn.	Denton	Jensen
Baumhart	Devereux	Johansen
Beamer	Dixon	Johnson
Beckworth	Dooley	Jones, Ala.
Belcher	Edmondson	Judd
Bentley	Elliott	Kearns
Berry	Engle	Keeney
Betts	Evins	Kelley, Pa.
Bow	Fenton	Knox
Bray	Flood	Knutson
Brooks, Tex.	Ford	Krueger
Broomfield	Frazier	Laird
Brown, Ohio	Frelinghuysen	LeCompte
Brownson	Gathings	Loser
Budge	George	McCarthy
Burdick	Grant	McCormack
Bush	Gray	McCulloch
Byrne, Ill.	Gregory	McDonough
Byrnes, Wis.	Griffin	McGovern
Carnahan	Gubser	McGregor
Carrigg	Hagen	McIntire
Cederberg	Halleck	McIntosh
Chamberlain	Harden	McVey
Chelf	Harris	Mack, Ill.
Chenoweth	Harrison, Nebr.	Madden
Chiperfield	Harvey	Martin
Christopher	Haskell	Mason
Church	Hays, Ark.	Meador
Clevenger	Hays, Ohio	Metcalf

Michel
Miller, Md.
Miller, Nebr.
Mills
Moore
Morgan
Morris
Moss
Mumma
Natcher
Nimtz
Norrell
O'Hara, Minn.
O'Konski
Patman
Perkins
Pfost
Poff
Polk
Price
Prouty

Rains
Reece, Tenn.
Rees, Kans.
Reuss
Rhodes, Ariz.
Rhodes, Pa.
Robison, Ky.
Rogers, Mass.
Schenck
Schwengel
Scott, Pa.
Scrivner
Sheehan
Simpson, Ill.
Simpson, Pa.
Smith, Calif.
Smith, Wis.
Spence
Springer
Staggers
Stauffer

Steed
Talle
Tewes
Thompson, Tex.
Thomson, Wyo.
Thornberry
Utt
Van Pelt
Van Zandt
Vors
Vursell
Watts
Weaver
Westland
Wier
Wigglesworth
Wilson, Ind.
Withrow
Wolverton
Young
Younger

NAYS—217

Abbitt	Fountain	Passman
Abernethy	Friedel	Patterson
Addonizio	Fulton	Pelly
Alexander	Garmatz	Philbin
Alger	Gary	Pilcher
Anderson,	Gavin	Pillion
Mont.	Gordon	Poage
Andrews	Granahan	Porter
Anfuso	Green, Oreg.	Powell
Ashmore	Griffiths	Preston
Auchincloss	Hale	Rabaut
Bailey	Haley	Radwan
Barden	Hardy	Ray
Baring	Harrison, Va.	Reed
Barrett	Healey	Riehlman
Bass, N. H.	Hemphill	Rivers
Bates	Herlong	Roberts
Becker	Heseltan	Robeson, Va.
Bennett, Fla.	Holfield	Rodino
Bennett, Mich.	Holland	Rogers, Colo.
Blatnik	Huddleston	Rogers, Fla.
Blitch	James	Rogers, Tex.
Boggs	Jennings	Rooney
Boland	Jonas	Roosevelt
Bolling	Jones, Mo.	Rutherford
Bonner	Karsten	Sadlak
Bosch	Kean	Santangelo
Boykin	Keating	Saund
Boyle	Kee	Saylor
Breeding	Kelly, N. Y.	Scott, N. C.
Brooks, La.	Keogh	Scudder
Brown, Ga.	Kilburn	Seely-Brown
Brown, Mo.	Kilday	Selden
Broyhill	Kilgore	Shelley
Buckley	Kling	Sheppard
Burleson	Kirwan	Shuford
Byrd	Kitchin	Sieminski
Byrne, Pa.	Kluczynski	Sikes
Canfield	Landrum	Sisk
Cannon	Lane	Smith, Kans.
Celler	Lanham	Smith, Miss.
Chudoff	Latham	Smith, Va.
Clark	Lennon	Sullivan
Coffin	Lesinski	Taber
Cole	Lipscomb	Taylor
Colmer	Long	Teague, Calif.
Cooley	McConnell	Teller
Corbett	McFall	Thomas
Coudert	McMillan	Thompson, La.
Cretella	Macdonald	Thompson, N. J.
Curtis, Mo.	Machrowicz	Tollefson
Davis, Ga.	Mack, Wash.	Trimble
Dawson, Ill.	Magnuson	Tuck
Delaney	Mahon	Udall
Dempsey	Marshall	Ullman
Dingell	Matthews	Vanik
Dollinger	May	Vinson
Donohue	Morrow	Wainwright
Dorn, N. Y.	Miller, Calif.	Walter
Dorn, S. C.	Miller, N. Y.	Wharton
Dowdy	Minshall	Whitener
Doyle	Morano	Whitten
Durham	Multer	Widnall
Dwyer	Murray	Williams, Miss.
Fallon	Neal	Williams, N. Y.
Farbstein	Nicholson	Willis
Fascell	Norblad	Wilson, Calif.
Feighan	O'Brien, Ill.	Winstead
Fino	O'Brien, N. Y.	Wright
Fisher	O'Hara, Ill.	Yates
Fogarty	O'Neill	Zablocki
Forand	Osmers	Zelenko
Forrester	Ostertag	

ANSWERED "PRESENT"—1

Derounian

NOT VOTING—26

Allen, Calif.	Diggs	Gwinn
Bolton	Eberharter	Hébert
Bowler	Flynt	Holt
Dellay	Green, Pa.	Holtzman
Dies	Gross	Hosmer

Jackson	Morrison	Scherer
Kearney	Moulder	Siler
Lankford	Riley	Teague, Tex.
Mailliard	St. George	

So the bill was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Kearney for, with Mr. Hébert against.
Mrs. Bolton for, with Mr. Morrison against.
Mr. Scherer for, with Mr. Holtzman against.
Mr. Jackson for, with Mr. Riley against.
Mr. Holt for, with Mr. Teague of Texas against.

Mr. Mailliard for, with Mr. Dies against.
Mr. Moulder for, with Mr. Derounian against.

Mr. Allen of California for, with Mr. Bowler against.

Mr. Hosmer for, with Mr. Green of Pennsylvania against.

Mr. Siler for, with Mr. Lankford against.

Until further notice:

Mr. Diggs with Mr. Gross.
Mr. Eberharther with Mrs. St. George.
Mr. Flynt with Mr. Dellay.

Mr. KEARNS changed his vote from "nay" to "yea."

Mr. PATTERSON changed his vote from "yea" to "nay."

Mr. DAWSON of Utah changed his vote from "nay" to "yea."

Mr. BROYHILL changed his vote from "yea" to "nay."

Mr. DEROUNIAN. Mr. Speaker, I have a live pair with the gentleman from Missouri [Mr. MOULDER]. If he were present, he would vote "yea." Therefore, I withdraw my vote of "nay" and vote "present."

Mr. SCOTT of Pennsylvania changed his vote from "nay" to "yea."

Mr. TEAGUE of California changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

GENERAL LEAVE TO EXTEND REMARKS

Mr. AUGUST H. ANDRESEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to extend their remarks on the bill just under consideration.

The SPEAKER. Is there objection?
There was no objection.

RECREATIONAL BOATING SAFETY

(Mr. BONNER asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. BONNER. Mr. Speaker, I rise to make a statement concerning a study which the Committee on Merchant Marine and Fisheries has recently completed. I am prompted to make this statement because of the many inquiries coming to the committee staff and myself as to when we will release our report on this study and further, because I feel that the many interested persons, and indeed the many State legislatures, that are awaiting our report are entitled to have some word.

Last July our committee commenced a study of recreational boating safety in the United States. When it is realized that there are approximately 6 million pleasure boats in operation today

in this country, taking over 25 million of our citizens afloat each year, you can get some idea of the safety responsibilities involved. Although the Coast Guard had brought to our attention the problems being created on the navigable waters of the United States by the tremendous growth and expansion of pleasure boating, we were also urged to conduct such a study by the boating industry itself.

We held hearings in Washington in July of last year and following the adjournment of the last Congress, we held public hearings in the principal boating centers of the country.

We listened to more than 300 witnesses who appeared before us and now have a 3-volume record containing 1,638 pages of testimony. The hearings were concluded last December and the record is presently being analyzed preparatory to review and consideration by the committee and the adoption of a report with recommendations for appropriate action by legislation or otherwise. I have scheduled an executive session of the full committee to take up this important matter next Wednesday, March 20.

From testimony received during the hearings and from subsequent communications we have received, we know that at least some of the States which desire to consider boating legislation are waiting for guidance from our report. I hope our report will be helpful to them and that it will result in general uniformity of boating laws throughout the country. I do feel that it is the responsibility of our committee and the Congress to assist the States in this manner, by the enactment of an up-to-date, model Federal law applicable to the navigable waters of the United States over which the Coast Guard has jurisdiction but which are of great and direct concern to the States bordering them.

The problems involved, however, are many and varied, and we have a great deal of testimony to evaluate. I have instructed the committee staff to take all the time necessary to turn out the best possible report. Although some additional legislation appears to be desirable, we did not find that any emergency situation exists and I therefore am not going to be rushed into any hasty action.

I now feel that our committee can complete its consideration of the record and make a report to the House late this month. It should be printed and available by early April.

I hope that making this announcement will be helpful to the many public and private organizations and individuals who are interested in the results of the committee study.

COMMITTEE INVESTIGATIONS

(Mr. BONNER asked and was granted permission to extend his remarks at this point in the RECORD.)

Mr. BONNER. Mr. Speaker, in the 84th Congress the Committee on Merchant Marine and Fisheries produced a record of constructive activity unequaled in many years both in the legislation it handled and the special in-

vestigations and inquiries it conducted. Even so we were unable to get into some of the important subjects which required careful study by the Congress. In a statement concerning the committee's activities during the 84th Congress on August 11, 1956, I enumerated a number of the subjects which I felt should receive consideration early in this Congress. The investigating authority which the House granted to the Committee on Merchant Marine and Fisheries under House Resolution 149 on February 27, was requested in large part because of these important and urgent matters.

As the first step in continuing our studies of merchant marine problems I plan to schedule hearings about March 27 to begin an inquiry into the ship transfer, trade-in and reserve fleet policies under the administration of the Department of Commerce.

It is always a matter of concern to me as to whether our merchant marine is being maintained at levels sufficient to meet minimum mobilization requirements. This matter has been highlighted by requests in recent years for legislation to help build up a reserve of usable tankers for national defense, as well as to encourage the construction of newer, larger, and faster tankers for American-flag operation. The requested legislation was enacted but has apparently not accomplished its intended purpose.

We have no reserve of tankers today at all.

In the meantime there have been a number of transactions approved by the Maritime Administration whereby usable vessels, particularly tankers, have been approved for transfer to foreign registry subject to certain specific conditions, such as the flag to which transfer is made and agreement to build new tonnage in American shipyards.

I also understand that many of the vessels being transferred are vastly superior to ships in the reserve fleets, which another policy decrees must be maintained even though obsolete or badly damaged.

These are matters, related to each other, which suggest a possible conflict of policy in relation to the overall objective of an adequate, well-balanced American-flag merchant fleet.

In view of these questions, therefore, I feel that our first inquiry in this session should be directed toward securing a greater understanding of the effect of these several administrative policies on our mobilization requirements.

Finally there have been suggestions of possible questionable aspects concerning some of the transactions involving approvals for transfer of American-flag tankers to foreign registry. In our investigation of this subject I will, of course, want the committee to make every effort to determine whether any improprieties have been involved in particular situations.

COMPULSORY FEDERAL INSPECTION OF POULTRY

(Mrs. SULLIVAN asked and was granted permission to extend her remarks at this point in the RECORD.)

The Under Secretary of Agriculture on February 6, 1956, advised the American Cotton Manufacturers Institute that the Department's study did not indicate that he would be justified in recommending restrictions on imports of cotton manufactures under section 22 of the Agricultural Adjustment Act. In this connection the Under Secretary pointed out that the imports of cotton manufactures in 1955 represented less than 1½ percent of the domestic mill consumption of raw cotton. The Under Secretary's letter also stated that exports of cotton manufactures from the United States in 1955 exceeded imports to the extent of about 400,000 bales—raw cotton equivalent.

The Under Secretary's letter also noted that Japan was the leading foreign outlet for United States raw cotton. This factor along with those previously noted will call attention to the fact that the policy that is advantageous for the United States to pursue with respect to the country's foreign trade in raw cotton and cotton manufactures is extremely difficult and complex.

Escape clause proceedings: In 1956 four applications for escape-clause investigations by the Tariff Commission were filed by domestic cotton manufacturing interests. These applications related to cotton blouses, pillowcases, velveteens, and gingham.

The escape-clause application with respect to imports of cotton blouses was filed in February 1956. The application was withdrawn on June 20, 1956, by the petitioner after the Japanese, as previously noted, had acted to reduce the ceiling on exports of cotton blouses from 2.5 to 1.5 million dozen a year.

The application with respect to imports of pillowcases was filed in February 1956, and the Tariff Commission's investigation was completed in November 1956. In that investigation the Tariff Commission concluded on the basis of a 3-to-2 vote that the evidence did not warrant its making a recommendation for increased restrictions on imports.

The escape-clause application with respect to velveteens was filed with the Tariff Commission in January 1956 and the Commission issued its report thereon in October 1956. In this case the Commission recommended the application of increased duties to imports of velveteens. The President temporarily deferred a decision on the Commission's recommendation, but on January 22, 1957, announced that he had decided not to act upon the Commission's recommendation. In this connection he referred to the Japanese amended program of restricting exports of cotton textiles to the United States announced January 16, 1957. I shall describe that program later in this speech. It may be noted here, however, that a feature of the amended program involved the reduction of the quota on Japanese exports of velveteens to 2.5 million square yards for the year. The 1956 Japanese export quota on velveteens as previously mentioned had been 5 million square yards. It seems practically certain that the Japanese export quota on velveteens will be more effective in restricting the volume of such imports from Japan than

the increase in duties recommended by the Tariff Commission.

The escape clause application with respect to gingham was filed in June 1956, and the Tariff Commission had not concluded the investigation when on January 29, 1957, the petitioners requested the Commission to discontinue the investigation. In this request the Japanese program of restricting exports to the United States announced January 16, 1957, was cited in explanation.

CONGRESSIONAL INTEREST

During 1956 many bills were introduced in the Congress which reflected the concern of their sponsors about the competition of Japanese imports with the domestic cotton textile industry. A Senate resolution—Senate Resolution 236—as originally drafted would have directed the Tariff Commission to make an immediate escape clause investigation under section 7 of the Trade Agreements Act to determine whether any textile products were being imported in such increased quantities as to cause or threaten serious injury. The Tariff Commission in commenting on this proposal indicated that it would not be feasible for the Commission, within the 9-month period provided by the statute for the completion of such investigations, to complete the numerous investigations that the resolution would have required. The resolution was amended before adoption to direct the Tariff Commission to give priority to escape clause investigations relating to textiles. This was the only action taken by Congress bearing directly on the subject matter.

STATE LEGISLATION

In the spring of 1956 the States of South Carolina and Alabama passed legislation requiring the posting of signs in retail stores selling Japanese textile products. The Secretary of State publicly deplored these enactments. He pointed out that these laws appeared to be contrary to the treaty of friendship, commerce and navigation between the United States and Japan which had been ratified by the Senate.

DEVELOPMENT OF THE JAPANESE COTTON-TEXTILE EXPORT CONTROL PROGRAM FOR 1957

Because of the continued concern on the part of our Government and domestic cotton-textile interests, the Secretary of State requested the Japanese Government early in 1956 to provide more detailed information on the Japanese program of export control than had previously been available. On May 16, 1956, the Japanese Government officially provided such a statement and announced its intentions to exercise similar control in 1957 and to give 3 months' prior notice if, for any reason, any of the quotas on exports of cotton textiles to the United States were increased.

In the summer of 1956, following the adjournment of Congress and the defeat of efforts in the Congress to impose import quotas, a series of discussions were begun between Japanese Embassy officials and representatives of the United States Government from the Departments of State, Commerce, and Agriculture. These discussions were aimed at exploring measures which

might further alleviate the situation and at conveying to the Japanese Government a better appreciation of the nature of the American market and the desirability of a program of orderly marketing and sound merchandising.

During the long period over which these discussions continued, United States Government agencies obtained a better understanding of the nature of the domestic problems. Many Members of Congress became interested in the broad issues involved. At stake was the economic well-being of a major industry, the future of which would affect our national prosperity. At stake also was our foreign trade policy which had stood for a quarter of a century. This was reflected during the course of the hearings which the Subcommittee on Customs, Tariffs, and Reciprocal Trade Agreements held in September and October of 1956.

In my discussions with the Secretary of Commerce, Mr. Weeks, he told me that domestic manufacturers had assisted the Government in working out many difficult problems. He paid tribute to the patience and reasonableness of these people. I am also informed that it was the regular practice of the Commerce Department in their consultations with the domestic interests involved and with the Japanese to obtain the advice of the Department's legal advisers and of the Justice Department to assure that the discussions were conducted in accordance with the laws of the United States.

To return now particularly to the discussions between officials of the United States and Japanese Governments; I am informed that on September 27, 1956, the Japanese Government advised the United States as to the principles on which it intended to base its control of exports of cotton textiles to the United States during 1957 and the subsequent years. This note described the Japanese intention of diversifying their exports with a view to avoiding excessive concentration in any particular period or of exports of particular items.

From time to time during these discussions the Japanese officials made reference to the concern of their Government about the State legislation designed to discriminate against Japanese goods and also about restrictive action that might be taken by the United States Government with respect to Japanese imports. This concern was expressed in a note of September 27, 1956, which read as follows:

The action now contemplated by Japan is based on the condition that all feasible steps will be taken by the United States Government to solve the problem of discriminatory State textile legislation and to prevent further restrictive action with regard to the importation of Japanese textiles into the United States.

As already indicated, the Secretary of State as far back as April 1956 had expressed his concern about discriminatory State textile legislation and had indicated his belief that such legislation was inconsistent with our obligations under treaties of friendship, commerce, and navigation.

THE CURRENT JAPANESE PROGRAM FOR THE CONTROL OF EXPORTS OF COTTON TEXTILE TO THE UNITED STATES

The Japanese program announced on January 16, 1957, is of much interest to all of us. It is a 5-year program for the control of Japanese cotton textile exports to the United States.

The overall annual ceiling for the export of cotton manufactures to the United States announced by the Japanese Government is 235 million square yards. Within this ceiling the limit for cotton cloth is 113 million square yards; the limits for woven and knit apparel total 83 million square yards; and the limits for household goods and miscellaneous items total 35 million square yards.

The cloth ceiling of 113 million square yards compares with ceiling of 150 million square yards in 1956. Individual ceilings are specified for velveteens, gingham, and high grade—combed—cotton fabrics. The export limit for velveteen is 2.5 million square yards for each of the first 2 years. The export limit for gingham is 35 million square yards for each of the first 2 years. With respect to the remaining 75.5 million yards for all other fabrics, a limit for high-grade—combed—cotton fabrics of 26 million square yards is established.

In the other groups covering cotton made-up goods individual annual ceilings have been established for pillowcases, dish towels, handkerchiefs, table damask, blouses, sport shirts, dress and work shirts, brassieres, and other body-supporting garments, men's and boys' T-shirts, and gloves and mittens.

The program also provides for Japanese cotton textile exports to the United States to be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands. The Japanese Government will also take all feasible steps to prevent transshipments to the United States through third parties.

Finally, the Japanese give emphasis to their intention of avoiding excessive concentration of exports in any particular area and of diversifying their exports by stating that they will consult with the United States Government to determine an appropriate course of action, whenever it appears that there is developing an excessive concentration of Japanese exports in a particular item or class of items.

INDUSTRY REACTIONS

If the proof of the pudding is in its eating, the tasters in this case are the groups and individuals comprising our domestic cotton textile industry. Thus their reactions to the Japanese announcement are of great significance. I am in close touch with these groups and I am familiar with their sentiments. I do not want to suggest that all segments of the industry are satisfied, but I think I can sum up the published reactions as being optimistic regarding the program's value, pleased that the industry's problem has been recognized and met in a practical way, and hopeful that adequate enforcement will occur.

I would like to quote significant portions of some of the statements made on this program by representative groups.

From the statement made by the American Cotton Manufacturers Institute:

It is our considered opinion that the plan, if adequately enforced, is basically sound and workable and that it should dissolve promptly the cloud of doubt and uncertainty which has disrupted United States cotton textile markets for almost 2 years, and which has threatened the future of United States cotton in the American market. We believe the plan deserves a firm trial. It is logical that the Japanese exporters will also benefit from more orderly marketing conditions in this country.

From the Northern Textile Association:

The announcement of limitations on exports of Japanese cotton textiles to this country is a significant development. It constitutes official acceptance of the use of such limitations to meet the pressing needs of the industry.

The success of the arrangement depends upon the sincerity with which its principles are carried out, but it is indeed hopeful that the principles are recognized and agreed upon. With this pattern established there is no reason why, in the future, damage to our industry should not be prevented before it occurs.

The Association of Cotton Textile Merchants of New York had this to say in part:

While the program may not be perfect in all particulars and must stand the test of experience, it embodies the essence of the safeguarding principles for which the industry has long contended. Its operation in good faith should do much to resolve the Japanese problem and set at rest the fears of continuous encroachment of American markets. With definite knowledge as to the yardage of low-cost goods in each item which can be exported annually from Japan, future plans can be made with more confidence and textile markets should gather strength in their release from uncertainties. Although direction of the program and its success, lies with the Japanese, it is their best interest to make it work and I feel sure their commitments can be taken at face value.

The Journal of Commerce in its issue of January 28, 1957, carries a story incorporating comments made by spinners of carded cotton yarns. The lead paragraph of the story, dateline Henderson, N. C., January 27, is:

The carded-yarn industry appeared today to be ready to shake free of the doldrums blamed on uncontrolled low-wage imports from Japan. Industry leaders are pinning their hopes on the recently announced import control plan worked out in conferences between the United States and Japanese Governments.

Numerous stories from the daily press and trade papers could be cited, but the tenor of all of these is the same as I have just outlined.

I should like to make one final observation on public reaction before moving on to other phases of my discussion. The American Tariff League views this voluntary agreement with considerable skepticism, yet their January issue of Topics has this to say as part of the league's comments:

Noting that categories of goods and quality were recognized in establishing the new Japanese cotton textile export quotas to the United States, ATL President Helfrich commented: "Whatever the propriety of the Japanese plan, it does have the merit of dividing the cotton manufactured products,

for quota purposes, into categories, not only by class of article, but by its quality grade. Thus the arrangement recognizes a fair basic principle for which we have long fought."

CONCLUSION

When I was in Japan last December, the likelihood of a detailed program of self-imposed quotas was being widely discussed. Many Japanese textile-industry leaders doubted the wisdom and desirability of such a program. Nevertheless the Japanese, mindful of the broader issues involved, decided to go ahead with it. It was more than a gesture of friendship on the part of one of our staunchest allies in the free world. The Japanese Government also recognized the need for stabilizing their country's trade with the United States in its own long-range interest.

On this basis the Japanese Government obtained the cooperation of their industry.

Perhaps a similar situation prevails here in the United States where industry and Government have also recognized the need for sincere cooperation in meeting these problems.

In the situation with which I have dealt, Members of Congress have been and will undoubtedly continue to be watchful guardians of the program herein discussed and its administration. In my view the program should be given an opportunity to prove itself. I hope that the Congress and other groups will permit it to have such an opportunity. It may be that serious questions will arise about various features of the program. In the light of the difficult problems that have occasioned the development of the program and its importance to our trade relations with Japan and indeed to our foreign policy in general, I think the program should be given a serious trial.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may sit during general debate tomorrow.

The SPEAKER. Is there objection? There was no objection.

CORN LEGISLATION NOT DEAD

(Mr. COOLEY asked and was given permission to address the House for 1 minute.)

Mr. COOLEY. Mr. Speaker, I wish to say as chairman of the House Committee on Agriculture that as far as I am concerned corn legislation is not dead. I am ready, anxious, and willing to call our committee together at any time the minority expresses a desire to meet with us in good faith to try to work out legislation which will be beneficial to the corn producers of our country.

I know that the majority members of our committee sincerely hope it will be possible for us to draft legislation that will be acceptable, and if the minority will indicate when they are ready to meet with us I assure you we will be ready to meet and consider legislation.

Mr. MARTIN. Mr. Speaker, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MARTIN. Does the gentleman have any belief he can come any nearer agreement than he has in the last 2 months?

Mr. COOLEY. I certainly do hope so, and I believe we can if we approach the problem as it should be approached, in a friendly spirit and with open minds and dispel partisan politics from our committee room.

I said during debate that it was a tragic, a sad, and a sorry day for American agriculture when we had divided as we did divide on this issue along strictly party lines. If the gentleman can use his influence with his colleagues I think I can exercise a little influence with my colleagues on the committee and we will in good faith try to reach sound legislation which will be beneficial to the corn producers, both inside and outside of the commercial corn area. Partisan politics has played a dangerous and a deplorable part in this debate and in the deliberations of this House. It is unfortunate that the minority would neither offer nor accept amendments to the bill which was finally reported by our committee. Now that our labors have proved to be futile I am perfectly willing to start all over again, but we must meet in a spirit of friendliness and in an environment that is free from politics.

REPEAL OF EXCISE TAX ON COCONUT OIL

(Mr. DINGELL (at the request of Mr. McCormack) was given permission to extend his remarks at this point in the RECORD.)

Mr. DINGELL. Mr. Speaker, I have introduced a bill, H. R. 5818, the purpose of which is to eliminate the 3-cent-per-pound excise tax on coconut oil as provided for in section 4511 (a) of the Internal Revenue Code of 1954, leaving in force the additional rate of 2 cents per pound on coconut oil provided for in section 4511 (b) of the Internal Revenue Code of 1954 which is bound in the Philippine-American trade agreement until 1974.

The excise taxes on coconut oil and other oils were originally imposed in 1934 in the Internal Revenue Act of May 10, 1934, section 602½ (a) and (b), at a time when our country and the rest of the world were suffering from a serious depression and when a large portion of the coconut oil imported into this country, principally from the Philippines, went into edible uses in the manufacture of margarine in combination with other oils produced in the United States. For instance, during the 2 preceding years, 1932 and 1933, coconut oil constituted from 72 to 75 percent of the total oils used in the manufacture of oleomargarine. Also at that time the United States was a net importer of fats and oils. So Congress found it, therefore, necessary to impose these excise taxes on coconut oil and other oils to protect our fats and oils industry.

Since World War II, however, the fats and oils situation in the United States has changed. Coconut oil has been eliminated as an ingredient in the manufac-

ture of oleomargarine and the United States has become a net exporter of fats and oils. The need for protecting the domestic fats and oil industry through this tax no longer exists and this bill seeks to repeal it on coconut oil.

The repeal of the tax will not only benefit American consumers of soap and other products manufactured in this country, in which coconut oil is a necessary ingredient, but also help the economy of our tested ally and friend, the Philippines, which supplies our country practically all our requirements of copra and coconut oil.

Recognizing that the processing tax on the Philippine coconut oil was an indirect duty on the product of a country under our sovereignty, Congress provided in the Internal Revenue Act of 1934 that the taxes so collected on Philippine coconut oil be held in trust to be refunded to the Philippine Treasury for Philippine economic development. The refund of these taxes ceased upon the independence of the Philippines on July 4, 1946, and since then all taxes collected on Philippine coconut oil reverted to the general fund of the United States Government. When Congress terminated the remission of the processing taxes collected on Philippine coconut oil to the Philippine Treasury it not only placed a heavy burden upon the economy of the Philippines but it also imposed an indirect duty on a Philippine product which might well be considered a violation of the trade agreement that we have with the Philippines.

The repeal of the 3-cent tax on coconut oil is, in my opinion, in consonance with our intent in rendering assistance to the Philippines and in harmony with our self-interest in the improvement of the social and economic conditions of the peoples of the free world.

UNEMPLOYMENT IN THE PLYWOOD INDUSTRY

The SPEAKER. Under the previous order of the House, the gentleman from Washington [Mr. MACK] is recognized for 30 minutes.

(Mr. MACK of Washington asked and was given permission to revise and extend his remarks and include copy of a proposed bill dealing with the importation of hardwood plywood.)

Mr. MACK of Washington. Mr. Speaker, considerable unemployment exists today in the plywood industry of the United States. A number of plants have suspended operations indefinitely and many others are operating on a curtailed basis.

Most of these curtailed operations and this shrinkage in employment are the result not of a reduced domestic consumption of plywood or overproduction of it but as the result of overly large imports of foreign plywood, mostly from Japan, where the wage rate is less than 12 cents an hour.

To relieve this unemployment in the plywood industry, I and a number of other Congressmen, today, have joined in introducing bills that will have the effect of reducing plywood imports from low-

wage nations. These bills seek to limit plywood imports to 15 percent of the domestic consumption of the previous year.

Hardwood plywood imports, last year, totaled about 705 million square feet or almost one-half of our national consumption of 1,500,000,000 square feet.

The bill which I and others have introduced today, if it had been in effect last year, would have limited these imports to about 225 million square feet with the result that American producers would have received orders for about an additional 500 million square feet. The result of this extra business would have been that our American plants could have operated at full time instead of on a curtailed basis, and there would have been little or no unemployment in the industry.

Here is how the present deplorable condition of the plywood industry developed.

In 1951, the Truman democratic administration, then in political control of the country, drastically reduced the tariff on plywood imports, cut it from 40 percent on the wholesale value to 20 percent.

From the moment that tariff was reduced, Japan's exports of plywood to the United States began to increase. These have been increasing by leaps and bounds ever since.

When the Republicans were in control of Congress during the years 1953 and 1954, they did nothing to correct the harm being done by these increased plywood imports. Nor did the Democrats when they were in control of Congress during 1955 and 1956 do anything to slow down these plywood imports. Both political parties are to blame for the present plight in which this great American industry now finds itself.

Recently the unemployment in this great industry has become so great that it now is apparent to everyone who knows this industry that something ought to be done promptly by Congress to slow down Japanese imports of plywood into this country.

In 1951, before the Truman administration reduced the plywood tariff, Japan's plywood exports to the United States were only 67 million square feet. Last year, 1956, foreign countries shipped into the United States 705.7 million square feet of plywood or more than 10 times as much as they did 5 years ago.

Hardwood plywood consumption in the United States has been increasing during the past 5 years. That increased consumption should have brought increased prosperity and employment to the American plywood industry. It has not done so because of the steadily enlarged share of the American plywood market that has been and is being captured by Japan where plywood is produced at wages of less than 12 cents an hour.

For example:

In 1951, the American consumption of hardwood plywood was 871 million square feet. Of this Japan supplied 67 million square feet, or about 7 percent of the consumption, and domestic pro-

ducers 805 million square feet, or 93 percent of the market. By 1956, American consumption had increased to 1,500 million square feet. Of this Japan supplied 527 million square feet, or 35 percent and other foreign countries 11 percent of the total consumption while American producers supplied 810 million square feet, or 54 percent of the consumption.

Total consumption of hardwood plywood in the United States has increased in the last 5 years by almost 700 million square feet. Foreign producers are supplying all but 5 percent of that increase.

Sales of the American hardwood plywood industry are standing still. It is selling no more plywood than it did 5 years ago and even to hold its 1951 markets has been compelled to cut prices in many cases below the cost of production.

Some ascribe the present weakness in the plywood sales and employment to overproduction. It is not overproduction that is crippling the American plywood industry. It is overly large imports of plywood from Japan that is responsible.

If plywood imports from Japan were slowed down, the American plywood industry would spring to life immediately.

In the political campaigns of 1950 and 1952, I warned the plywood industry and workers in that industry that they could not compete with the 12-cent wage of Japan and that unemployment inevitably would result, if tariffs on plywood imports were decreased. My opposition in those campaigns pooh-poohed my warning. He said trade is a two-way street, and we must let more Japanese plywood and Japanese fish come into the American market. He predicted such imports would be small and do no harm. The events of these past 5 years have proved he was wrong, and I was right.

Japanese plywood is produced by labor that is paid, at last report, 11.5 cents an hour. The American plywood industry must pay, under the Federal minimum wage law enacted by Congress, not less than \$1 an hour and in most areas pays far more than that. While Congress very properly compels American manufacturers to pay wages of not less than \$1 an hour, it at the same time holds open the doors of our country to imports produced by 12-cent-an-hour foreign labor. This is not right, fair or just. American workers cannot and should not be expected to compete with the starvation wages of the Orient.

Most plywood mills on the Pacific coast produce softwood not hardwood plywood, but these softwood mills are jeopardized as well as hardwood ones, too, are being injured by Japanese hardwood plywood imports.

Japanese plywood, produced by less than 12-cent-an-hour labor, is being sold at such low prices in the United States that in many areas imported hardwood plywood sells for less than softwood plywood. Some builders are using imported hardwood plywood in place of domestic softwood plywood on construction jobs on which softwood panels normally are used. This has reduced the market for softwood plywood. As a result of this

reduced market many plywood plants are idle and their workers unemployed.

Government also suffers from this decline in plywood production and employment. Idle mills earn no profits. The operators pay less or pay no income taxes at all. With the annual earnings of workers in the industry also curtailed the amount of taxes paid by these workers declines. The Federal Government loses tax income. Also the idled American workers are forced to seek unemployment benefits. The Federal Treasury must pay out unemployment benefits it would not pay had jobs not been lost to imports.

The Government loses tax income. At the same time it is placed at the extra expense of paying unemployment benefits. This does not help balance the budget or pay the cost of a \$71.8 billion budget.

When we import too much plywood we are in fact exporting jobs—the jobs of American workers.

It is far better for the solvency and prosperity of the country that plywood industry workers should be lined up paying income taxes than they be forced into the lines of those drawing unemployment benefits.

Congress can change the present unemployment lines into income tax paying lines by placing quota limits on the amount of 12 cents an hour produced plywood Japan is allowed to ship into the United States.

The sooner Congress acts the sooner jobs will be restored and unemployment declined.

In order that the exact provisions of my bill may be fully understood by all, I include at this point in the RECORD a copy of my bill and also a brief explanation of its provisions:

A bill to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood

Be it enacted, etc., That it is the purpose of this act to authorize the establishment of a quota on imports of hardwood plywood under the conditions hereinafter specified in order to stabilize hardwood plywood imports under conditions of fair competition, and to establish the basis for an expanding foreign trade of the United States by removing from import competition its destructive aspects without creating hardship for the domestic hardwood plywood industry.

SEC. 2. (a) The total quantity of hardwood plywood entered or withdrawn from warehouse, for consumption, in any calendar year shall not exceed 15 percent of the domestic consumption of hardwood plywood in the preceding calendar year determined as hereinafter provided.

(b) For the remainder of the calendar year 1957, the import quota shall be prorated on the basis of the quota for the full calendar year as provided in subsection (a).

SEC. 3. (a) The United States Tariff Commission shall, within 60 days after the effective date of this act for the purpose of the quota for the remainder of the calendar year 1957, and within 60 days after the close of each calendar year, for the purpose of quotas for calendar years after 1957, determine the domestic consumption of hardwood plywood for the preceding calendar year.

(b) On the basis of such determination the Commission shall establish the quotas for hardwood plywood as provided in section 2.

(c) If imports of hardwood plywood come from more than one country of origin the permissible total quantity shall be allotted on the following basis:

(1) Ninety-five percent of the quota shall be allotted to the countries of origin on the basis of the average entries from each such country during the calendar years 1952, 1953, and 1954.

(2) The remaining 5 percent shall be allotted to any country or countries not exporting hardwood plywood to the United States during any of the calendar years 1952, 1953, or 1954.

SEC. 4. (a) The Tariff Commission shall report to the President the quotas established by it and the President shall by proclamation promptly impose such quotas.

(b) If there is no claimant country or countries before the end of the third quarter of any year for the 5 percent set aside for new exporting countries, or if any part of the 5 percent is not claimed, the whole or the unclaimed part of such 5 percent shall be distributed among the original participating countries according to their proportional shares and the President shall issue a proclamation modifying the original quotas in accordance therewith.

SEC. 5. In any year in which the domestic consumption of hardwood plywood cannot be determined for the purposes of section 3, the Tariff Commission shall estimate the domestic consumption for the preceding year and establish preliminary quotas which shall be proclaimed by the President pending the establishment of final quotas.

SEC. 6. (a) As used in this act—

(1) The term "hardwood plywood" means an assembly composed of two or more layers of veneer or veneer in combination with lumber, hardboard, fiberboard, particle board, chipboard, or other material, bonded by an adhesive and having at least one layer of hardwood.

(2) The term "domestic consumption" for any calendar year, with respect to hardwood plywood, means the total quantity of hardwood plywood, on a square-foot surface-measure basis, shipped by producers in the United States to the domestic market in such year plus the total quantity of imported hardwood plywood entered, or withdrawn from warehouse, for consumption in such year.

SEC. 7. The provisions of this act shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury following such negotiations as may be necessary to effectuate a modification or termination of any international obligations of the United States with which the act might conflict, but in any event not later than 60 days after the date of enactment of this act.

EXPLANATION OF PROPOSED BILL TO REGULATE THE FOREIGN COMMERCE OF THE UNITED STATES BY ESTABLISHING QUANTITATIVE RESTRICTIONS ON THE IMPORTATION OF HARDWOOD PLYWOOD

The bill provides for a yearly quota on imports of hardwood plywood of 15 percent of the consumption in the year preceding the quota year. Consumption is defined as the sum of the shipments by the United States producers and the imports of hardwood in the preceding year.

The Tariff Commission shall determine the consumption and shall establish the quota within 60 days from the end of the calendar year. Ninety-five percent of the quota shall be allotted to countries of origin on basis of average entries during the calendar years 1952, 1953, and 1954. Five percent shall be allotted to countries not having a historical position in the base year.

85TH CONGRESS
1ST SESSION

H. R. 4901

[Report No. 151]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 18, 1957

Mr. COOLEY introduced the following bill; which was referred to the Committee on Agriculture

FEBRUARY 21, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

MARCH 13, 1957

Failed of passage

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That notwithstanding any other provision of law, the mini-
4 mum national acreage allotment for corn for 1957 shall be
5 not less than forty-three million two hundred thousand acres.

6 SEC. 2. Section 103 (b) of the Soil Bank Act is amended
7 to read as follows:

8 “(b) Notwithstanding any other provision of law, in
9 addition to all other programs authorized by this Act the

1 Secretary is authorized and directed to formulate and carry
2 out an acreage reserve program for 1957 for acreage diverted
3 from the production of each of the commodities specified in
4 subsection (a) of this section. Individual farms may partici-
5 pate in such acreage reserve program for diverted acres up
6 to the lesser of an acreage equal to 18 per centum of the
7 farm acreage allotment or allotments for such commodities
8 (or one acre, whichever is greater) or the extent to which
9 such participation results in a reduction of the individual
10 farmer's feed grain acreage. For purposes of this subsection
11 and subsection (c) the measure of feed grain acreage on the
12 farm shall be the highest acreage planted in any of the
13 three most recent years, adjusted for unusual weather con-
14 ditions, to the following crops for harvest as grain: Corn
15 produced outside the commercial corn-producing area, wheat
16 produced on farms to which marketing quotas are not appli-
17 cable, grain sorghums, barley, rye, oats, soybeans, and flax-
18 seed. Compensation under this subsection shall be at the
19 rate per acre of the rate per bushel of corn placed in the
20 acreage reserve multiplied by the normal yield per acre of
21 corn in the county in which the farm is located *or 60 per*
22 *centum of the support price of the normal yield of the feed*
23 *grain diverted from production in the county in which the*
24 *farm is located, whichever is greater, but in no event less than*
25 ~~\$20~~ \$10 nor more than \$50 per acre. All applicable terms

1 and conditions of the acreage reserve program except section
2 105 (c) shall apply to the program authorized by this sub-
3 section.”

4 SEC. 3. (a) Section 103 of the Soil Bank Act is
5 amended by adding the following new subsection:

6 “(c) In addition to the programs authorized in subsec-
7 tions (a) and (b) of this section, the Secretary is authorized
8 and directed to formulate and carry out an acreage reserve
9 program for the 1957 crop of feed grains. Compensation
10 for participation in this program shall be at the rate of \$15
11 per acre. To be eligible for such compensation the producer
12 shall reduce his acreage of feed grains below 85 per centum
13 of the feed grain acreage on the farm as defined in subsection
14 (b) of this section less the number of acres which the pro-
15 ducer places in the acreage reserve program authorized in
16 such subsection (b). Except as otherwise provided in this
17 subsection, all of the provisions of this Act which are appli-
18 cable to the acreage reserve program shall apply to the
19 program authorized by this subsection.”

20 (b) Section 105 (c) of the Soil Bank Act is amended
21 by striking out “\$750,000,000” and substituting in lieu
22 thereof “\$1,000,000,000” and by inserting immediately pre-
23 ceding the word “peanut” the following: “feed grains,
24 \$300,000,000;”.

85TH CONGRESS
1ST SESSION

H. R. 4901

[Report No. 151]

A BILL

To establish a minimum acreage allotment for corn, to provide acreage reserve programs for diverted acres and for feed grains, and for other purposes.

By Mr. COOLEY

FEBRUARY 18, 1957

Referred to the Committee on Agriculture

FEBRUARY 21, 1957

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

MARCH 13, 1957

Failed of passage

March 14, 1957

credit union amendments (pp. 3289-90), and Sens. Mansfield and Humphrey inserting objections to credit union limitations (pp. 3320-4). pp. 3289-3324

14. ADJOURNED until Mon., Mar. 18. p. 3330

HOUSE

15. CORN. Several Representatives discussed the defeat of the corn bill (H.R. 4901), and pointed out the seriousness of the situation as the result of this action. Rep. Coad inserted the text of a statement he had presented to the Members of the House petitioning the Secretary to immediately announce the support price for corn in the commercial corn area at \$1.60 per bushel for 1957. pp. 3203, 3204, 3208, 3226-27

16. FORESTRY. Rep. Sikes urged the restoration of \$4 million which was stricken from 1958 Forest Service appropriations to provide assistance to the States for reforestation work under title IV of the Agricultural Act of 1956. p. 3225

17. APPROPRIATIONS. The Appropriations Committee received permission until midnight Fri., Mar. 15, to file a report on the 1958 independent offices appropriation bill. p. 3199

Several Representatives criticized and others defended the action in agreeing to the resolution (H. Res. 190) requesting the President to submit recommendations for reduction in the 1958 budget. pp. 3208-10, 3212-13

18. HOME LOANS. Concurred in the Senate amendments to H. J. Res. 209, to provide interim assistance, through the Federal National Mortgage Association, in relieving the shortage of funds for home loans. This measure is now ready for the President. p. 3200

19. TAXATION. Passed without amendment H.R. 4090, to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates. pp. 3201-21

20. AREA REDEVELOPMENT. Rep. Lane urged support of legislation for Federal assistance to economically depressed areas. pp. 3221-22

21. FOREIGN TRADE. Rep. Hemphill spoke in favor of additional import restrictions on other countries to protect U. S. products, including plywood and textiles. p. 3227

22. MARKETING. An Agriculture Committee release, dated Mar. 14, includes the following statement:

"Rep. Harold D. Cooley (D-N.C.), Chairman of the House Committee on Agriculture, today announced the formation of a new seven-member Special Consumers Study Subcommittee which will undertake as one of its major tasks a study of consumer spending.

"The Subcommittee will be headed by Rep. Victor L. Anfuso, Democrat of New York, and will include the following: Rep. John C. Watts (Ky), Coya Knutson (Minn) and W. Pat Jennings (Va), Democrats; and Clifford G. McIntire (Me) and Robert D. Harrison (Neb), and Henry A. Dixon (Utah), Republicans.

"The Subcommittee will be a special study and investigative body. One of its chief aims will be to consider ways to bring down the cost of foods to the consumer. For this purpose the Committee will delve into various related activities, including processing and marketing costs, the use of

trading stamps, market manipulations, and middlemen's profits; also the cost of specific commodities such as milk, bread, coffee, cocoa, eggs, and others which affect the consumer cost of food.

"In addition to the broad scope of study described above, the Committee also will study the following:

"(1) The part which our food and fiber programs have played in winning friends for the United States and preventing the spread of communism at home and abroad.

"(2) The accomplishments or deficiencies of our public, private and voluntary agencies in this common struggle.

"(3) The proper stockpiling of food surpluses within the limits of the United States as a matter of national and civilian defense."

23. LEGISLATIVE PROGRAM. Rep. McCormack announced that on Tues., Mar. 19, the Consent and Private Calendars will be called, and the 1958 independent offices appropriation bill will be considered. p. 3214

24. ADJOURNED until Mon., Mar. 18. p. 3228

ITEMS IN APPENDIX

25. ROADS. Sen. Case inserted his speech to the American Road Builders Ass'n, in which he stressed the needs for expansion of the primary, secondary, and urban roads as well as the Interstate system. pp. A2032-5

26. EXPENDITURES. Sen. Potter inserted a speech by Treasury Secretary Humphrey summarizing the budget process, in which he stated: "the really substantial reductions in Government spending can come only from changes in programs," and urged public support for proposals to reduce Federal services. pp. A2037-8

27. ELECTRIFICATION. Sen. Anderson inserted a speech by the Chairman of the Joint Committee on Atomic Energy, Rep. Durham, urging a greater program in nuclear power research in order to retain our world leadership in atomic development. pp. A2042-4

Rep. Metcalf inserted parts of two resolutions presented to the Mont. Legislature urging dams in Glacier National Park, both of which failed to pass, and inserted an article from the Sierra Club Bulletin favoring construction of Paradise Dam and opposing the proposed Buffalo Rapids No. 4 dam to be built by Mont. Power Co. pp. A2091-2

Extension of remarks of Rep. Scudder in favor of the partnership proposal at the Trinity River project, and inserting an editorial on the "hidden charges" in government power projects failure to pay the taxes a private utility would. pp. A2098, A2102-3

28. DROUGHT RELIEF. Sen. Case, S. D., inserted an editorial urging that the attack on drought be considered as a war for water, and that irrigation of all dry lands be considered as a solution to the plague of drought. pp. A2045-6

Rep. Breeding inserted an invitation from the city of Liberal, Kans., inviting new business and industry to expand there. p. A2094

29. APPROPRIATIONS. Speech in the House of Rep. Edmondson in support of the reductions made in the general Government matters appropriation bill for 1958. pp. A2073-4

operation and that we should be more specific.

Would the gentleman care to comment on how that worked out in the gentleman's experience with it?

Mr. COLMER. Mr. Speaker, let me say to the gentleman in the first instance that I do not want to be in a position of throwing a roadblock in the path of anybody's suggestion who has a suggestion on how to do this. I think there are better ways to do it, but if that is the only way it can be done, I shall vote for that, if the gentleman offers it. I shall vote for any approach that I think would bring about the desired result.

Mr. BUDGE. Mr. Speaker, would the gentleman yield further?

Mr. COLMER. I yield further to the gentleman.

Mr. BUDGE. I have watched this operation now for 6 years. I served on the Committee on Appropriations. I am firmly convinced that the members of that committee and the Members of the House and the American people are very desirous of effecting cuts in this budget. But I do not know of any other way to approach it so that everybody will agree to get behind it unless it is done by this method of a percentage cut. I wish the gentleman could advise me if he has some other approach to the problem.

Mr. COLMER. I intend to go into that.

Mr. HOFFMAN. Mr. Speaker, would the gentleman yield?

Mr. COLMER. Of course, I yield to my friend.

Mr. HOFFMAN. Mr. Speaker, I join the gentleman in his desire for economy. I wonder if the gentleman would mind telling me how he voted on the bill we had yesterday. I voted for it. Did the gentleman vote for it?

Mr. COLMER. No, sir.

Mr. HOFFMAN. I guess the gentleman was right and I was wrong was I not?

Mr. COLMER. I would not say that, because the House was in such a hassle, and the legislation was in such shape I did not know what to do about it, so I voted against it. The gentleman may have been right.

Mr. HOFFMAN. I did not know what to do and I asked the chairman of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY]. He said I should take the best I could get. I thought as a Republican I should go along with the Farm Bureau and the Eisenhower folks and Secretary Benson. I got to talking it over last night with Mrs. Hoffman and she said that I was wrong, and I guess maybe she is right.

Mr. COLMER. Mrs. Hoffman may have been right.

Mr. HOFFMAN. I think she was, on mature consideration. I think I joined the spenders on that one.

Mr. COLMER. Now, back to where we were.

Let me say that my idea about the approach to this thing is that as these appropriation bills are considered, first in the committee, the committee should do its best job in cutting where it sees it can cut. That would be No. 1. I could digress on that and say that unfor-

tunately our Appropriations Committees are not sufficiently staffed to be able to combat the budget experts but that is another story that I hoped I could get around to. But certainly there is usually room for cuts in the budget. Then when they get to the floor they ought to be cut wherever the House thinks they can be cut. Then they ought to be sent over to the other body and that body should cut where it thinks in its wisdom they can be cut. Yes; I know by tradition they raise over there rather than cut, but that is their responsibility.

Now let us be a little more specific. I have been referring to the nondefense spending. Let us take the defense spending, the 63 percent. When the so-called brass comes up to the committees and asks for this money, the committees are largely helpless because they do not know, they do not have the information they should have in order to be able to combat those figures that are asked. Then that defense bill comes to the floor of the House. I recall that we passed a \$31 billion defense bill here a year or such a matter ago without a single dissenting vote, and I was one of those who voted for it because I was completely in the dark. They said they needed it and I was not in a position to argue. But had the Appropriations Committee had a sufficient staff of experts that they could have looked into that matter possibly we would not have had a \$31 billion appropriation bill.

Then I get back to the overall proposition. I think that defense spending can be cut and I think it ought to be cut. I remember when we had a big controversy up here about an increased number of airplanes of a certain type about 3 or 4 years ago. The administration said they did not need them. The committee said they did need them. I went along with the administration, and that was a Republican administration.

But above all of that, bear this in mind: Russia does not want war any more than America wants war. They are not going to drop those bombs on Washington tonight because they know that later in the day or night they are going to be dropped on the Kremlin. Out of the horror of war and the new weapons of warfare has come a source of comfort—that the weapons have become too destructive for anybody to win a war. Russia hopes to defeat the United States just as Lenin spelled it out in his lifetime, by making the United States spend itself into bankruptcy—and we are doing a pretty good job following Lenin's suggestion.

Mr. Speaker, we can cut foreign aid. Oh, I know foreign aid is the pet of everybody when it comes to a question of economy. I recommended limited foreign aid in 1945 as chairman of that committee that I referred to. I thought we ought to give certain countries some reasonable aid to rehabilitate themselves. But, the thing grew like a snowball and it got to rolling and rolling and getting bigger and bigger every year. Several years ago, after 2 or 3 years of it, I tried to cut it. When I was unsuccessful in that, I started to voting against all of it. There is absolutely no necessity for this country

to continue to increase that foreign aid every year. It ought to be cut. It ought to be cut, as a minimum, in half. But I doubt if that will be done because of the pressure that will be brought on this House when it comes up here. Where are our friends abroad going to be who are always looking to us for assistance, if we finally follow out Lenin's suggestion and spend ourselves into bankruptcy—not only where are they going to be, but where are we going to be? Who is going to help us? Who is going to give us a Marshall plan.

If I may have my friend's attention, again I will tell you another place where we can cut. We will have up here in this House in the next 60 or 90 days an entirely new field of Federal spending—Federal aid to education. Now that is something entirely new. We are going to start out to appropriate—what is it?—\$1,300,000 or something like that for school aid. We have not been doing that heretofore, you know. We are going to build additional classrooms. Of course, we need additional classrooms. We need them in New York, we need them in California, and we need them in Mississippi.

Mr. MASON. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. MASON. Twenty years ago the average teacher-load in America was between 32 and 33 pupils. Today the average load per teacher is 26 pupils. Do we need additional rooms?—only in the impacted areas. And we are taking care of those.

Mr. COLMER. In the light of what the gentleman, the great patriot from Illinois, has said, I revise my statement. Of course, additional classrooms are desired by some. But are we going to embark upon that new field now when we are talking of economy? There is going to be a test.

Again, if you want something specific, there is the field of public housing, the so-called low-rent housing. I have vigorously opposed this ambitious embarkation into the field of socialism from its very inception. This expensive program will be up again this year as it is every year for the construction of many thousands of public-housing units, all carrying with them the subsidies out of the Federal Treasury. Here will be another test of those who are now advocating the cutting of the budget. Many millions can be saved here alone by termination of this socialistic venture which has already cost the taxpayers several billions of dollars. These are some of the outstanding opportunities for cutting the budget. In every appropriation bill that will come up there will be many others.

Mr. Speaker, I make the bold assertion that this budget could be cut \$5 million without seriously impairing the functions of the Government for the next fiscal year. The people of this country are looking to the Congress to do something about this. We should not fail them.

So much for the present budget. On the long-range program, I call your attention again to the McClellan-Colmer bill which has twice passed the Senate and which failed in the House by some

16 votes some 5 years ago, but which I reintroduced—H. R. 2416—on January 10, 1957. This bill simply provides for a joint committee from both the House and the Senate Committees on Appropriations. It authorizes an adequate staff of experts so that the Committee on Appropriations will not be at the mercy of the President's budget or the so-called bureaucrats and brass. At a time when the President's budget is being so widely criticized, it would seem that the House should take a new look at this bill. It would give it the tools with which to work. It would function largely in the same manner that the Joint Committee on Revenue has so successfully worked. It would restore to Congress the control of the purse strings, in my judgment and in the judgment of many others better qualified than I to evaluate the problem. Incidentally, hearings will be held shortly before the Committee on Rules on this bill.

Mr. Speaker, on March 19, 1952, almost 5 years to the day, I addressed this House along the same line that I have today under the caption, "High Taxes Result of Unbridled Spending." This was during a Democratic administration. I made many of the same arguments then that I have made today. Neither time nor your patience would permit a re-reading of those remarks here now. I concluded that speech by setting out a formula to guide our actions here as Members of this body. I quote the conclusion of that speech, as follows:

Mr. Speaker, I fear that I have been bore-some, and that I may even be charged with pessimism, in this long recital in an effort to emphasize the seriousness of the situation. It is serious. America is at the crossroads in its fiscal policy. If we do not change that policy we become a bankrupt people. If we destroy the faith and credit of the Government we lose everything, our economy, our standard of living, yes, even our cherished liberties.

If the Congress is to regain its constitutional control of the purse strings; if the budget is to be balanced; if we are ever to liquidate this enormous debt, I respectfully suggest and urge that the following formula be adopted:

First. Our legislative committees, as well as Committees on Appropriations, must cease reporting out bills except those which are absolutely essential to our economy and national defense.

Second. Every Member of this body must recognize that the objective of balancing the budget is his most important assignment.

Third. Sectionalism, partisan politics, responsiveness to highly organized minorities, must give way to the national need for a sound financial policy.

Fourth. Every dollar appropriated must be considered as carefully as if it were coming out of the pockets of the Members themselves, as indeed the Members' proportionate share is.

Fifth. Our congressional committees, particularly the appropriation committees, must be staffed with an adequate staff of experts equal in efficiency to the staffs of the various governmental agencies who appear before them seeking appropriations.

Sixth. The Congress and the country must recognize that financial solvency is as important as military might in preparing ourselves against any potential foreign aggressor, a fact which our military captains should be made to understand.

Seventh. Our foreign friends must be made to understand that there is a limit to the resources of America.

Eighth. The system of permitting the carry-over of unspent funds from the current fiscal year into the new year must be abandoned.

Ninth. The procurement of military requirements, which constitute more than 50 percent of our expenditures, must be placed in the hands of trained civilians who appreciate the value of the dollar.

Tenth. And finally, the citizens of the Republic, now conscious as never before of the burdens of taxation, must practice the doctrine of States' responsibility as well as States' rights. The practice of looking to Washington for Federal aid in civil responsibilities of their own must cease. They must realize that there is no State, county, or city whose financial statement is not sounder than that of the Federal Government.

Finally, Mr. Speaker, if this country, the last fortress and haven of a free people is to survive our fiscal policy must be placed on a sound basis. The time is now. Next year may be too late. Now is the time to place the country above party.

In the name of the Founding Fathers who gave the country its birth, in the name of the untold thousands who have died to preserve it, in the name of free peoples everywhere, I beseech you to save the Nation from bankruptcy and thus perpetuate this, the most glorious form of free government ever conceived by the minds of men.

The SPEAKER pro tempore. The gentleman from Mississippi has consumed 30 minutes.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. LATHAM. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois [Mr. ARENDS].

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to speak out of order and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I take this to emphasize to this House, and particularly to the Democrat majority in control, that the defeat yesterday of emergency corn legislation may prove to be disastrous, not solely for the corn farmer but to the whole soil-bank program and our entire farm economy.

The responsibility for this rests with the Democrat leadership of the Committee on Agriculture, the gentleman from North Carolina [Mr. COOLEY] and the gentleman from Texas [Mr. POAGE]. They were not willing to support emergency corn legislation that could speedily be enacted. Under their leadership approximately two-thirds of the Democrats voted against the corn bill.

In my service in Congress I have observed that cotton, tobacco, and wheat as agricultural commodities have always been given a preferred position. Apparently the southern Democrats are only interested in the welfare of the cotton and tobacco farmer. Apparently they are not interested in giving the corn farmer an even break. Everything for the cotton farmer and the tobacco farmer, but nothing for the corn farmer. As long as such selfish sectionalism prevails in consideration of agriculture legisla-

tion, as long as political considerations govern one's actions, we will never solve the agriculture problem.

I will say that yesterday by voting against the corn bill a pitchfork has been stuck in the back of the corn farmer and then he was run over by a tractor. We thus have no emergency corn legislation with the corn planting season at hand. By what took place yesterday, and by an analysis of the voting, it is inescapable the Democrat majority have the responsibility for the almost impossible situation that presently confronts the corn farmer.

Mr. McCARTHY. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I do not yield.

The SPEAKER pro tempore. The time of the gentleman from Illinois has expired.

Mr. LATHAM. Mr. Speaker, I presume that at St. Patrick's time it is never out of order for a warm friend of the Irish, and one with Irish blood in his veins, to say a few words, and I therefore yield 5 minutes to the gentleman from New Jersey [Mr. CANFIELD].

(Mr. CANFIELD asked and was granted permission to revise and extend his remarks.)

Mr. CANFIELD. Mr. Speaker, I ask unanimous consent to speak in a lighter vein and on a happier subject, St. Patrick and the 17th of March.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. CANFIELD. Mr. Speaker, we are drawing close to that bright day on the calendar when all America will be divided into two distinct groups of people—those who are Irish and those who wish they were. But, fortunately, the charms of Ireland have been so generously distributed among us that it has been truly said there is a little bit of Irish in everyone, including the now Lord Mayor of Dublin.

I know that most of us here are looking forward to this weekend and traditional St. Patrick's Day celebrations, either here or in our home districts. I myself am eagerly anticipating, not one but two, gatherings of the Friendly Sons of St. Patrick, one in my home city of Paterson this Sunday and a preview of the day on Saturday in Passaic, N. J., the city where I followed a newspaper career before migrating to Capitol Hill as the secretary to my late beloved mentor, Congressman George N. Seger.

It will be good to reflect, when we sit down in the shadow of the Shamrock and the Harp this weekend, on those who gathered before us in similar celebrations, for the observance of St. Patrick's Day is no modern invention. It is as traditional in America as Thanksgiving dinner and as old, yes, even older than Valley Forge.

I have been told that the first meeting of the sons of Ireland on American soil to honor St. Patrick was held in 1737. On March 17 of that year, the Charitable Irish Society was organized in Boston, Mass., by a group of men, proud of their Irish blood, so proud that they chose the occasion of the good

The reduction of tax rates must give way under present circumstances to the cost of meeting our urgent national responsibilities. For the present, therefore, I ask for the continuation for another year of existing excise tax rates on tobacco, liquor, and automobiles which, under present law, would be reduced next April 1.

I must also recommend that the present corporate tax rates be continued for another year. It would be neither fair nor proper to allow excise and corporate tax reductions to be made at a time when a general tax reduction cannot be undertaken.

Mr. Speaker, that is the request of the President of the United States. Apparently it was concurred in by a majority of the members of the Committee on Ways and Means and it is probably the sentiment of this House.

In response to the request of the President this bill is before us now. I urge the adoption of the pending resolution.

Mr. COLMER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. BOLLING). The question is on the resolution.

The resolution was agreed to.

Mr. COOPER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill—H. R. 4090—to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H. R. 4090, with Mr. DAVIS of Tennessee in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. COOPER. Mr. Chairman, I yield myself 10 minutes.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, H. R. 4090 would extend for 1 year the existing corporate normal-tax rate and certain existing excise-tax rates. I introduced the bill at the request of the administration. The gentleman from New York, the Honorable DANIEL A. REED, introduced an identical bill, H. R. 4091.

The extensions provided by the bill cover the period April 1, 1957, through March 31, 1958. The existing 52-percent corporate-income-tax rate would be extended by continuing the present normal-tax rate of 30 percent. A 5-percent-age-point reduction will occur on April 1, 1957, in the present normal-tax rate to which all corporate income is subject unless the provisions of this bill become law. The present 22-percent surtax rate which applies only to taxable income of corporations in excess of \$25,000 is not affected by the bill.

The existing excise-tax rates which will be extended by this bill are those applicable to distilled spirits, cigarettes, automobiles, and automobile parts and accessories. These rates are scheduled

to be reduced on April 1, 1957, to their pre-Korean level.

As Members of the House will recall, the present rates applicable to the Federal excise taxes on gasoline, diesel, and special motor fuels, and trucks and buses will be continued until July 1, 1972, by the provisions of the Highway Revenue Act of 1956.

The rates covered by the provisions of H. R. 4090 were first imposed by the Revenue Act of 1951 to meet the Korean emergency. They were extended for the first time by H. R. 8300, 83d Congress, the bill which became the Internal Revenue Code of 1954, and in each of the sessions of the 84th Congress. If H. R. 4090 is enacted by the Congress, the fourth extension of these rates will be provided.

In ordering this bill favorably reported, the Committee on Ways and Means was motivated primarily by the fiscal effects to be anticipated from the rate reductions scheduled to become effective on April 1 of this year. As you will recall, the President requested the extension of the rates in question in his budget message, and the President's request was reiterated in the testimony of the Secretary of the Treasury, the Honorable George M. Humphrey, at the time of his appearance before the Committee on Ways and Means, in urging the 1-year extension which will be provided by the bill.

On a full year's basis, the revenue effects of the extension of the present corporate normal-tax rate will be to increase revenues by \$2,075,000,000 and of excise taxes by \$900 million, making a total full-year effect of \$2,975,000,000 under the bill. This figure is somewhat smaller than the figure indicated under the Tax Rate Extension Act of 1956 because, as I have pointed out, the Highway Revenue Act of 1956 has already extended certain of the excises previously involved in prior extension acts.

If the present corporate income and the excise tax rates are not extended, there will be a loss in revenue of \$172 million in the fiscal year 1957 and a loss of \$2,103,000,000 in the fiscal year 1958. In addition, floor stock refunds of about \$180 million also will have to be paid during the fiscal year 1958. Thus, if these rates are not extended, the estimated budgetary surplus for the fiscal year 1957 will be reduced to about \$1,500,000,000, and a deficit will result in the fiscal year 1958 in the amount of about \$500 million.

Members of the House will find the revenue effects of the bill summarized in table 1 of the House Report No. 52, and the budgetary effects of the bill are shown in table 2 of the House Report.

Because of the importance of the revenues to be derived from the extension of the rates covered by the bill in maintaining a balanced budget, I urge that the bill be passed.

Mr. REED. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, my friend and esteemed colleague, the chairman of the Committee on Ways and Means, the Honorable JERE COOPER of Tennessee, has in his customary able manner fully described

the legislation that is before this distinguished committee today. This legislation concerns a matter of tax rates that I regret to say we have been called on to consider on previous occasions. It is a matter involving the continuation of what I regard as certain excessively high taxes affecting corporate income tax liability and the Federal excise taxes applicable to passenger cars, automobile parts and accessories, alcoholic beverages, and tobacco products.

On the subject of tax rates, I believe my position is clear. I am now and always have been in favor of tax reduction. In fact, I believe that the large majority of the Members of this great legislative body agree with my position. I know that the President of the United States and our great Secretary of the Treasury agree with my position. We are all in accord with the view that tax rates generally are too high—much too high.

However, there is such a thing as fiscal responsibility and the obligation of the Congress and the executive branch of our Government to preserve the integrity and solvency of our Federal budgetary position. As a consequence, H. R. 4090 is before us today.

The Committee on Ways and Means has given very earnest consideration to the urgent need for this legislation and has carefully studied the impact its enactment would have on the economy of our Nation. Hearings were held by the committee with testimony being presented by the Secretary of the Treasury, the Honorable George M. Humphrey, and the deputy director of the budget, the Honorable A. R. Jones. On the occasion of the chairman introducing H. R. 4090 on January 3, 1957, I introduced companion legislation, H. R. 4091.

This legislation would continue for one more year, to April 1, 1958, the combined corporate income tax rate of 52 percent and the present excise tax rates applicable to those articles I previously enumerated. In the absence of favorable action on this legislation, the foregoing described taxes would, under present law, be reduced effective April 1, 1957.

If these rates were reduced, the general funds of the Treasury would sustain a revenue loss of \$172 million in fiscal year 1957 and a revenue loss of \$2.1 billion in fiscal year 1958. The full-year revenue effect of this legislation is to provide a revenue gain over existing law of almost \$3 billion.

In addition to providing for a 1-year continuation of existing tax rates, the legislation also makes a necessary technical amendment to the floor-stock refund or credit provisions of the Internal Revenue Code presently effective with respect to stocks of various tax-paid products on hand on April 1, 1957. The members of this committee will recall that at the time of the Revenue Act of 1951 a floor-stocks tax was provided which required dealers to pay an amount equal to the increase in tax rates on the inventories which they held. The floor-stock refund or credit provided under existing law and as amended in this bill is the second step in the floor-stock tax-assessment and refund procedure. It would provide the necessary tax ad-

justment to avoid having our tax rates affect the competitive positions existing between dealers with large inventories of affected commodities and the dealers having low inventories of such commodities. The provision provides for the crediting or refunding without interest to the manufacturer, producer, or importer an amount equal to the difference between the tax paid and the amount of tax made applicable to the article on and after April 1, 1958, where the article is held in inventory and intended for sale.

Mr. Chairman, for the past 4 years the Congress of the United States and the Executive branch of our Government have experienced the arduous ordeal of placing our Federal fiscal affairs in order. We have in my judgment achieved very significant accomplishments toward this end. Perhaps the most outstanding achievement in this respect is the fact that for the third successive year we are able to present to the American people a balanced budget that contains a surplus despite the fact we also gave to the American people in fiscal year 1954 the greatest tax reduction to occur in the history of our Nation—a total of \$7.4 billion. By the end of fiscal year 1958 according to present estimates we will have been able to apply over \$5 billion in budgetary surpluses to debt reduction. We have had tax reduction in excess of \$7 billion, debt reduction in excess of \$5 billion, an unprecedented growth in the level of national economic activity, and a stabilized inflation-free economy. Those achievements have real meaning to the American people.

I of course wish that we could have done more. It is to be regretted that we have not achieved greater success in providing further reductions in Federal expenditures. For example, if we had been successful in maintaining the level of expenditures reached in 1955 of approximately \$65 billion, the budget surplus in fiscal year 1958 would have been almost \$9 billion instead of \$1.8 billion. There would have been a surplus of \$3.5 billion in fiscal year 1956 and \$6 billion in fiscal year 1957 on the basis of actual and estimated net budget receipts for those years. Needless to say such surpluses would have provided further opportunity for tax reduction and substantial debt reduction.

It is to be hoped that this present Congress, working in cooperation with an economy-minded administration, will succeed in instituting increased savings in the Federal expenditures that are called for in the budget of 1958. However, we should all realize that to provide the degree of security that our Nation must have and to render the services to our 172 million people, that such economy will be difficult at best. An example of the inflexibility in our Federal budget is evidenced in the increased taxing and spending in trust funds that occur outside the budget. These trust-fund operations are largely exempt from appropriation control. Transfers from gross budget receipts to trust funds in fiscal year 1958 are estimated at \$10.3 billion in addition to other amounts which these funds draw from net budgetary receipts

under statutory commitment. The demand for Federal expenditures even more strongly than the demand for tax reduction starts with the people themselves. As I view the problem it is the responsibility of the Congress to carefully evaluate the needs of the people and provide the essential governmental services they require; it is also the responsibility of the Congress to provide the necessary Federal revenues to finance these services. We must be certain that only the essential Government services are provided and that only the essential revenues are collected.

H. R. 4090 is an essential part of this financing. When we as the elected Representatives of the people succeed in reducing the cost of these services, we can then also succeed in reducing the price that the American people must pay in tax revenues. Until such success is achieved, it is necessary that we continue our present tax rates. Accordingly, Mr. Chairman, I urge my colleagues in the House to support the enactment of H. R. 4090.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. REED. I yield to the gentleman from Iowa.

Mr. GROSS. I do not know whether or not it has been stated, but will the gentleman tell us in round figures what enactment of this bill means by way of tax revenue?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. COOPER. Mr. Chairman, I yield myself 1 minute to answer the gentleman from Iowa, if he wants some information on that.

Mr. GROSS. Yes, I do.

Mr. COOPER. In round figures, it means about \$3 billion.

Mr. GROSS. Will you please break that down as between corporate and excise taxes?

Mr. COOPER. I have done that in the statement I made.

Mr. GROSS. I regret that I was called off the floor for a few minutes and did not hear the gentleman's statement in that respect.

Mr. COOPER. The report shows it. I invite the gentleman's attention to page 3 of the committee report, which shows that.

Mr. GROSS. I thank the gentleman.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [McCARATHY].

(Mr. McCARTHY asked and was given permission to revise and extend his remarks, and to speak out of order.)

Mr. McCARTHY. Mr. Chairman, the gentleman from Illinois [Mr. ARENDS] spoke a few minutes ago about the responsibility of the Democratic majority in regard to yesterday's farm bill. I think the record ought to show that the bill on which the final vote was taken yesterday was the Republican bill, and that there were enough Democratic votes in favor of it so that, if the Republican leaders had been able to hold their Republicans of all kinds—modern and not-so-modern, ultra, etc.—in line, the Republican bill would have passed. I wish to speak principally, however, about the

Democratic program which was brought into the debate on the budget resolution on Tuesday. The resolution was to establish the responsibility of the Eisenhower administration for the budget. Several Republican Members made reference on the floor to a statement of program and policy signed by 80 Democratic Members of the House of Representatives. One of those who spoke was the gentleman from Indiana [Mr. HALLECK] formerly the majority leader of that party and the acknowledged spokesman for the Eisenhower administration. Among others was the gentleman from Michigan [Mr. HOFFMAN], who sometimes speaks for the administration and sometimes speaks for himself. It is quite obvious that the gentleman from Indiana had not read the entire statement of the Democrats or had not read it very carefully. He is a busy man. Perhaps we should not expect him to attend to it in such detail. Moreover, he was rather hard pressed when this resolution was before the Congress and had to use almost anything that he could put his hands on in order to defend himself. Not only was he called upon to defend a Republican position, but he was called upon to defend contradictory Republican positions. His position was much like that of the frontiersman forced to melt his grandmother's pewter sugar bowl and brass buttons off his grandfather's old uniform in order to provide himself with ammunition to defend the homestead. The gentleman from Michigan [Mr. HOFFMAN], however, was something of a disappointment to us. Among Democrats he has the reputation of being a kind of elder statesman. We expect him to take a position which is detached and independent of the normal Republican position. I recall that he was among the few, including the gentleman from Iowa [Mr. GROSS], who was left behind over the Lincoln Day weekend, when all the modern, approved Republicans were going around the country attempting to define modern Republicanism. When this resolution was up before the Congress, the gentleman from Michigan made special reference to the program signed by the Democrats, and then called upon us to account for ourselves and even went so far as to offer an amendment which would have permitted us to examine the budget.

Mr. BUDGE. Mr. Chairman, will the gentleman yield?

Mr. McCARTHY. I yield.

Mr. BUDGE. I read the statement which was signed. The policy statement or program, I think it was, which appeared in the CONGRESSIONAL RECORD on January 30, signed by some 80 Members of the majority party. I wonder if the gentleman could give us an approximate figure as to what the expenditures would be if that program were enacted by the Congress.

Mr. McCARTHY. If the amendment offered by the gentleman from Michigan were passed, we would take up that question and would make recommendations. Certainly, if we were writing the budget, we would expect to defend the items which we had included in the budget. We would not send it up one day saying

smuggled in guns to McKeon's cell so that the general could shoot his way to freedom. That same night both men were saved when the British declared a general amnesty for all political prisoners.

The first woman member of the Irish senate when the Irish Free State was established was Countess Desart, a Jewess. The most beloved woman in Ireland, the Countess was a native of London and a member of the well-to-do Bischoffsheim family, one of whose members sat in the Sanhedrin convened by Napoleon. In 1881 she became the second wife of William Ulack O'Connor, fourth Earl of Desart, an Irish peer. After her marriage she spent the rest of her life in Ireland, winning nationwide fame for her philanthropies and for her role in helping to revive the Irish language, arts, customs, and industry and for establishing schools. Despite her intermarriage she remained a member of the Jewish community. It was as a Jewess that President Cosgrave appointed her to the senate in 1922.

The Irish Free State constitution, adopted in 1937, gives official status to the Jewish religion, provides for the equality of Jewish schools—which receive state support—legalizes Jewish communities, establishes unequivocal guaranties for Jewish cultural and communal rights, and exempts Jewish children from Catholic religious instruction where such training is given. When Palestine called Ireland's chief rabbi to a similar post in Israel, the Irish Times proudly proclaimed that the selection reflected high honor upon the Irish nation.

When Robert Briscoe, now mayor of Dublin, was attacked in a French anti-Semitic newspaper as an alleged agent of "international Jewry," Prime Minister de Valera, of whose party Briscoe has been a lifelong member, protested to the French government, declaring that it was not merely a deputy of this house (Irish Parliament) that was libelled, but the whole nation. In 1947 the Irish Free State government donated 1 million pounds of kosher meat for distribution among Jewish DPs in the European camps. When the State of Israel declared its independence in 1948, many Irish lads volunteered to fight with the Israeli Army.

Two incidents in the history of the Adelaide Road Synagogue in Dublin, which traces its history back to those Marrano refugees of the 17th century, epitomize the traditional bond of sentiment between Irish and Jews. In 1892 the Adelaide Road Synagogue issued an appeal for funds for a new house of worship. The Dublin Daily Express promptly opened its columns to the synagogue campaign and called on all Irishmen to support the campaign.

Nearly half a century later that same synagogue was badly damaged by German bombs when a Nazi plane inadvertently mistook Dublin for an enemy target. Because Ireland was a neutral and the Hitler regime was most anxious not to alienate the Irish, Hitler sent a personal apology to the de Valera government and promptly offered to pay for all the damage. The Irish Free State reimbursed the Jewish community with Hitler's funds and the Adelaide Road Synagogue was rebuilt with Nazi money. That's why some Irishmen, with typical Gaelic wit, call Ireland's oldest Jewish congregation "Hitler's synagogue."

THE FOREST SERVICE APPROPRIATION

The SPEAKER. Under the previous order of the House, the gentleman from Florida [Mr. SIKES] is recognized for 20 minutes.

Mr. SIKES. Mr. Speaker, the House has already given consideration to the appropriations for the Department of

the Interior for the next fiscal year. The information which I offer today is, therefore, belated, but I believe the facts justify what I am about to say.

There was in the bill prior to its consideration by the Appropriations Committee a budget item within the Forest Service appropriation which was intended to provide assistance to the States for reforestation work done under title IV of the Agricultural Act of 1956. The committee deleted this item and that action was sustained by the House.

Although I do not agree with this deletion, I want to commend the committee upon the excellence of the statement they made in defense of the deletion. By their statement they showed a perception of the whole reforestation field, and especially of the current situation in regard to the nursery capacities. The committee made a good analysis of our present position and the position for the immediate future. However, they overlooked some important points.

The tree-planting programs enumerated in the statement are much different than the one that would have been provided by the appropriation in question. In fact, the reforestation mentioned as being provided for the national forests, and on lands administered by the Indian Service and the Bureau of Land Management is really quite apart from that that is needed on the private and State lands which comprise the great bulk of what needs doing and which will yield so much benefit to our future well-being. The private land planting programs now operating all carry restrictions of one kind or another that prevent getting our lands restored on a practical down-to-earth basis by bringing the best of knowledge, men, and machines to do the job. For example, the soil bank's conservation reserve tree planting is restricted to land that was in agricultural crops last year. The land withdrawn from agricultural crops several years ago and the farmland thinly stocked with trees of scattered or poor condition cannot receive the benefit offered by the soil bank. Farmers owning these noneligible lands need the help offered by the proposed program. Another example of restriction in an established program is found in the cooperative tree distribution program. It can furnish and deliver trees to the planting site but cannot advise the landowner what trees he should have ordered for the site in the first place, or help him actually plant them.

There are in the United States as a whole more than 50 million acres of timberland that is now producing very little or nothing in the way of raw materials for our national economy and jobs for our citizens. The South has about 40 percent of this land. These lands produce little or no support for their owners. Revenue must come from other lands on the farm, not from them. For these lands to take their place in supporting our citizenry will require that they be changed over from their present condition as abandoned fields and scrubby woodlands. They will have to be planted to good species of trees to grow into forests that will yield material and jobs for future generations.

Under the proposed program a complete job would be done without hampering, piecemeal restrictions. Under it the work of supplying stock and actually planting the trees would be done for a specific area, such as a county on a plan-wise, coordinated basis by the State foresters' technicians, with adequate advance knowledge, modern power machines, and all else needed to establish satisfactory plantations that will produce commercial timber in the shortest time compatible with the site in question. This would be invaluable to all, and especially to nonresident owners who want to practice good forestry and land management but have no way to do so while they make their living away from their forest holdings.

The restoration of the \$4 million for the title IV reforestation of commercial forest lands not eligible for help under the Soil Bank Act is recommended as a matter of good business that will be of great practical significance in accomplishing this urgent job. Even at this particular time, when the Congress is properly concerned with the need for greater economy in Government, we will do well to think ahead of the importance of maintaining our own natural resources. The protection and restoration of our timberlands is still one of the biggest jobs ahead of us.

[Mrs. ROGERS of Massachusetts addressed the House. Her remarks will appear hereafter in the Appendix.]

THE ONASSIS SHIPPING INTERESTS

The SPEAKER. Under the previous order of the House, the gentleman from New York [Mr. ZELENKO] is recognized for 5 minutes.

Mr. ZELENKO. Mr. Speaker, I have introduced a resolution to investigate the \$100 million "build and trade out" agreement between the Maritime Administration and the shipping interests of Aristoteles Onassis, an Argentine citizen and a resident of Monaco.

After months of study I have come to the conclusion that Mr. Onassis appears to be the recipient of a \$100 million windfall and handout.

Chairman BONNER of the Merchant Marine Committee has agreed to hold hearings on this subject before the committee on March 27, 1957. Subpenas are right now being served on all parties to the deal.

A transaction of this type is governed by United States statute. It is permitted with companies owned or controlled by American citizens to stimulate shipbuilding in American yards. To enable them to get necessary funds, these companies are allowed to transfer or sell some of their active tankers to foreign-flag registry. This permits them to employ non-American cheap labor and to get substantial income-tax profits.

Also, the American companies get certain other benefits from the building of the new ships because they can obtain a 100 percent United States guaranteed mortgage.

This is how Onassis did it:

Mr. Onassis, among other assets, owned 12 tankers and 2 Liberty ships. He is not an American citizen. His two minor children are. They were born in the United States. In order to obtain the benefits of the statute, he caused to be drawn a so-called "irrevocable trust" agreement in which he is supposed to have turned over to his two children forever the title to the 12 tankers and the 2 Liberty ships. The trustee is the Grace National Bank of New York, an institution controlled by American citizens.

The trust is full of loopholes. As a matter of fact, under its terms, Onassis still has substantial control of the entire operation and by a number of devices and unreported agreements he can revoke, modify or amend the trust.

These are the details:

Under the agreement the "trustee" has contracted to build a 100,000-ton tanker and two tankers of 46,000 tons each, which will cost about \$50 million. These ships are to be built by Bethlehem Shipyards. This building project will cost Onassis practically nothing for he is to obtain a 100-percent mortgage from American insurance companies and banks, which is guaranteed by the United States Government.

The other side of the deal, in which he supposedly relinquished title to the 12 tankers and 2 liberty ships, provides that these vessels now under American flag be sold or turned over to his own foreign flag companies.

By means of some high-power book-keeping these ships are being sold for about \$13 million. They are worth about \$50 million in the world market today.

Onassis is transferring, or has already transferred, most of these vessels. The ships to be built may be completed in 3 years.

These appear to be the results of the deal if permitted to proceed:

Five hundred and sixty-seven American seamen lose their jobs on the 14 ships. They are replaced by foreign seamen working at less than 50 percent of American wages.

The new ships, if completed, will employ only 170 Americans, but not before 3 years from now.

There is no present gain in American shipyard employment because the yards now have all the work than can handle for about 3 or 4 years.

The United States loses income taxes from the wages of the American seamen put out of work.

The United States loses substantial tax returns from the operation of the transferred ships.

Onassis transfers the 14 ships now for a depreciated value of about \$13 million, allowing 1 of his companies to write off millions in depreciation in tax deductions while his other companies, to which the ships are being turned over, can sell the same vessels at this moment for over \$50 million, practically all clear profit under capital-gains taxation after a short period of time—if, in fact, any tax will have to be paid to the United States at all.

Onassis can now operate these ships at one-third the cost under foreign flags

as against his American-flag operation.

Not even a bond has been required of Onassis for the fulfillment of the contract. All the United States gets in the event of a default is a damage claim limited to \$8 million—if and when it can ever collect.

It appears, therefore, that under this porous and collapsible trust agreement the Onassis interest has attempted to confer American citizenship upon itself in order to build \$50 million worth of ships with United States Government guaranteed funds; to obtain a tax and property windfall of another \$50 million worth of American vessels—adding up to a largesse of \$100 million to Onassis—while 570 American seamen are put out of work.

Mr. Speaker, do you not agree that the least that should be done under the circumstances is to give this matter a thorough review?

THE CORN PROGRAM

The SPEAKER. Under the previous order of the House, the gentleman from South Dakota [Mr. McGOVERN] is recognized for 5 minutes.

Mr. McGOVERN. Mr. Speaker, in view of the serious crisis confronting America's corn farmers which crisis has been further complicated by the failure of the House to agree on an adequate corn program, I have today called upon the Secretary of Agriculture to announce corn price supports on the 1957 crop in the commercial corn area at \$1.60 per bushel.

Such an announcement will enable the Congress to work out an adequate acreage allotment program with some assurance that corn planters will comply with the program. It will require the assurance of a fair price on corn to induce corn planters to stay within reasonable acreage allotments.

Farmers demonstrated by a virtual boycott of the December 1956 corn referendum that they were opposed to both of the alternatives offered in that referendum.

Yesterday, I reluctantly voted for the Harrison corn bill which simply reopens the two inadequate alternatives offered in the corn referendum. I supported this bill only after all other corn proposals before the House had been defeated.

The Harrison proposal, like the December corn referendum, offered the corn farmers two alternate routes to bankruptcy.

Rather than accept either of these alternatives, an estimated 70 percent of the Nation's eligible corn farmers refused to vote at all in the recent referendum.

A recent survey by a highly respected farm journal, Wallace's Farmer, showed that only 29.7 percent of all eligible Iowa producers voted in the corn referendum. Seventeen percent of Iowa's corn farmers expressed preference for the Benson soil bank plan providing for corn price supports at \$1.31 per bushel. Twelve percent expressed a preference for the allotment plan calling for price supports at \$1.36 per bushel.

But the significant point is that 7 out of 10 Iowa corn farmers refused to vote at all.

A poll recently completed by Wallace's Farmer reveals that 57 percent of the Iowa farmers said that they were opposed to both plans. Another 16 percent said they didn't understand the referendum.

Figures from other leading corn States indicate that, as was the case in Iowa, about 70 percent of the Nation's corn farmers refused to participate in the referendum. The gentleman from Nebraska [Mr. HARRISON] has thus wrongly concluded that a bill combining both alternatives of the Benson corn referendum would satisfy both the majority and the minority of the Nation's corn producers.

It would be more correct to conclude that, as of last December, 12 percent of the corn farmers reasoned: "If we have to go broke, we'll do it with corn at \$1.36 per bushel." Seventeen percent said, "If we have to go broke, let's get it over with as soon as possible with corn at \$1.31 a bushel."

But 7 out of 10 corn farmers said, "We may go broke, but at least we won't join in voting for our own bankruptcy."

Why cannot we realize now that if we want farmers to comply with acreage reduction programs, we must assure them of a decent price on their reduced production? This is the same theory that has enable workers to secure a higher hourly wage when their working hours were reduced.

Mr. Speaker, many people falsely assume that price supports at 90 percent of parity cost the taxpayer more than Mr. Benson's sliding scale. That is why the two gentlemen from Wisconsin [Mr. LAIRD and Mr. BURNS] made unsupported statements in the House last Tuesday charging that a 90 percent of parity amendment which I recently proposed would cost additional billions of dollars.

The truth of the matter is that price support losses under Secretary Benson and his sliding scale have been 3 times as high for the last 4-year period as for the entire 20 years of the Roosevelt and Truman administrations.

During the 4 years of Secretary Benson's management of our farm program the price support losses on commodities supported at 90 percent of parity have been equal to only one-third of the losses on commodities carrying Mr. Benson's flexible price supports.

Furthermore, by cutting price supports, Mr. Benson has encouraged farmers to increase production in an effort to maintain their incomes. This is one reason why Government farm surpluses have multiplied several times under Mr. Benson's management.

The total inventory of the Commodity Credit Corporation, according to the CCC's latest report, including that amount pledge for loans, was \$8.2 billion as of December 31, 1956, compared to a total of \$3.5 billion on June 30, 1953.

The sooner we recognize that corn farmers and other farm producers are entitled to at least 90 percent of a fair price for their production, just that much sooner will we persuade farmers to participate in a reasonable crop control program—a program that will not only reduce farm surpluses and Federal costs, but will also restore prosperity to the farm families of America.

Mr. COAD. Mr. Speaker, will the gentleman yield?

Mr. McGOVERN. I yield.

Mr. COAD. Mr. Speaker, I appreciate very much the statement the gentleman has made and wish to associate myself with the gentleman's remarks. I wish to inform the gentleman that I have joined in this activity and this afternoon presented to the Members of the House the following petition which I will read:

MARCH 14, 1957.

PETITION TO THE HONORABLE EZRA TAFT BENSON, SECRETARY OF AGRICULTURE, WASHINGTON, D. C.

Whereas it is an acknowledged fact that the corn farmers of America are faced with an impossible program as to allotments and price supports, it is hereby respectfully requested by the undersigned Members of Congress that you, honorable sir, do immediately announce the support price for corn in the commercial corn area at \$1.60 per bushel for the year 1957 pursuant to the authority granted you by the Agriculture Act of 1949, as amended.

Mr. McGOVERN. I thank the gentleman.

INTERIM AUTHORITY TO SPEAKER AND CLERK

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday the Clerk be authorized to receive messages from the Senate and that the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

A BILL TO ACQUIRE AGREEMENTS AND UNDERSTANDING ON PROSPECTIVE IMPORTS

(Mr. HEMPHILL (at the request of Mr. ALBERT) was given permission to extend his remarks at this point in the RECORD.)

Mr. HEMPHILL. Mr. Speaker, one of the purposes of my bill is to call attention of the Congress and the people to our defensive foreign policy with respect to imports from Japan and other countries. Too long have we geared our policies to conditions either imposed by and beneficial to some foreign country. Our State Department gives secondary consideration to our own industry, investors, workers, and management. We need an offensive policy—one in which we move forward constantly to protect Americans, and their interests, first.

This legislation has not only to do with textiles, but with other imports. I want to quote here from a letter I received from a constituent in my district:

The veneer business in South Carolina furnishes a considerable payroll for the workers of the State and we are being very badly hampered in continuing full time operation by the import of Japanese plywood.

Competing with cheap Japanese labor has adversely affected the prices of our product until it is almost impossible to maintain full operation of the plant with consequent cutbacks in our payroll.

Let us stop for a minute and consider what has happened. This letter is from an American citizen, whose forebears have distinguished themselves in the defense of this country, and he, along with his forebears, has worked hard and diligently for the development of his community, State, and Nation. He has experience, know-how, investment, and years of dedication. He has machinery, and he has paid taxes for years on the properties he uses. He has employed people whose livelihood depends on the continuation of this industry. He has a right to expect something from his Government regardless of whether it be Democratic or Republican. He and his people have fought for it and have died for it and have paid for it. I do not believe he is being considered in this reckless diplomatic spree, this stumbling, bungling economic-foreign policy.

Let me call your attention to one other thing. He has paid American wages, in order that his employees might have an American standard of living. His employees, out of those wages, are paying taxes for a Government which should give them some protection and some relief. This they are not getting.

Unemployment looms on the horizon. This always presents a dark picture and I say that it is wrong for any part of the Government to sacrifice even the job of one man without the greatest consideration.

This is just one of the examples.

A few weeks ago, I received a letter from the national authority for the ladies handbag industry. I quote from the letter as follows:

The continued alarming increase in the importation of foreign-made leather handbags is a matter of great concern and distress to the American handbag industry.

Again Americans want import quotas.

I might tell you that I have written letters, begging people in the industry to demand of the administration specific agreement such as this bill would have, and warning them not to be lulled into false security. From my contemporaries in this very House, I have learned firsthand what happened to the gingham and velveteen industries and how the damage was done before they awakened. I know this is happening to other industries, and we here on Capitol Hill are charged with protecting and representing our people.

I do not mean to dwell on plywood, but imports of plywood amounted to 74 million square feet in October, 1956. The total for 10 months of 1956 was 567 million square feet with a dutiable value of \$45 million. Seventy-three percent of the plywood came from Japan. Imports have captured 46 percent of the domestic market. The statement I make is from the hardwood, plywood manufacturers committee.

I have a memorandum dated January 16, 1957, and I believe issued by the State Department or Commerce Department and entitled "Japanese Program for the Export of Cotton Textiles to the United States." I quote from part of it:

The purpose of this program is to effect orderly marketing of Japanese cotton textiles in the United States by avoiding ex-

cessive concentration in any particular period or on any particular item, and textile exports from Japan to the United States.

All feasible steps shall be taken by the Japanese Government to prevent transshipments to the United States through third countries.

Exports from Japan to the United States of particular items shall be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands.

The very language used shows weakness and bespeaks of corrupted and misguided thinking.

I would like to call your attention to the fact that this is a memorandum, and it is no agreement in writing and no provision for enforcement. The bill I have introduced, however, provides for reduction to writing and for enforcement.

I will be first to admit that we are still a long way from the protection we deserve, but I believe this bill is a step in the right direction.

Under date of February 1957, there appeared in the New York Times, on the financial page, an article calling attention to certain shipments through Hong Kong. I think this is proof of the fact that the goods might be imported into some other country, and shipped to America for the purpose of underselling our domestic industries. My colleague the gentleman from Maine [Mr. COFFIN] will have some remarks on this for the RECORD.

I realize that foreign trade is the life-line of Japanese economy and that this is true of other nations, but I believe that the American taxpayer should receive first consideration.

I hope the members of the House can support this bill and that the committee will see fit to give it a favorable report. We have no protection now. We need import quotas, rigidly applied and rigidly enforced. We need tariff protection. The man who needs this is the man who is paying for this government and who wants to work and who wants to keep up the American standard of living. This bill is a step in the right direction and gives him not only the protection of an agreement which spells out its terms, for his benefit in making plans for the present and future, but provides for some enforcement.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. ZELENGO today, for 10 minutes, and to revise and extend his remarks.

Mr. McGOVERN for 5 minutes today.

Mr. HOFFMAN on Monday and Tuesday next for 30 minutes on each occasion.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the Record, or to revise and extend remarks, was granted to:

Mr. ENGLE (at the request of Mr. ASPINALL) and include extraneous material.

Mr. COAD.

Mrs. GRIFFITHS and include extraneous matter.

Mr. TRIMBLE and include a newspaper article.

Mr. DOYLE in five instances and include appropriate material.

Mrs. KNUTSON in 10 instances.

Mr. CEDERBERG and include an editorial and an article.

Mr. MASON and include a radio broadcast by Mr. HOFFMAN on the Dean Manion Forum.

Mr. OSTERTAG and include extraneous matter.

Mr. CURTIS of Missouri and include extraneous matter.

Mr. TOLLEFSON.

Mr. WALTER and include the constitution recently adopted by the Communist Party at its convention in New York.

Mr. ELLIOTT in two instances, in each to include extraneous matter.

Mr. ZABLOCKI and include extraneous matter.

Mr. MCGOVERN and to include extraneous matter.

Mr. PILLION.

Mr. WOLVERTON and include a recent agreement entered into between the United States and Mexico, notwithstanding the additional cost will be \$231.

Mr. HOFFMAN in three instances and include relevant material.

Mr. BROWNSON and include extraneous material.

Mr. CRAMER and include an editorial. Mr. CHAMBERLAIN and include an editorial.

Mr. JENKINS and include an editorial.

Mr. PHILBIN in three instances and include extraneous matter.

Mr. WATTS and include extraneous matter.

Mr. ROGERS of Texas (at the request of Mr. FASCELL) and include extraneous matter.

Mr. FASCELL and include extraneous matter in six instances.

Mr. ROOSEVELT and include extraneous matter in six instances.

Mr. SANTANGELO.

Mr. HOLLAND and include a speech.

Mr. BREEDING and include extraneous material.

Mr. RODINO (at the request of Mr. MULTER) and include extraneous matter in three instances.

Mr. MULTER and include extraneous matter in three instances.

Mr. HILLINGS (at the request of Mr. REED of New York) during the debate on the measure under consideration today.

Mr. GUBSER in five instances and include extraneous material.

Mr. YOUNGER and include an editorial.

Mr. MCCORMACK (at the request of Mr. COOPER) in two instances and include extraneous material.

Mr. THOMPSON of New Jersey, the remarks he made in Committee of the Whole and includes some letters and a bill.

Mr. PHILBIN and include a certain article.

Mr. JENNINGS and include extraneous material.

Mr. MULTER and include extraneous notwithstanding the cost is estimated to be \$250.25.

Mr. VANIK in three instances and include extraneous matter.

Mr. O'HARA of Illinois, following the remarks of the gentleman from New Jersey, on St. Patrick's Day.

Mr. O'HARA of Illinois in three instances and include extraneous matter.

Mr. DORN of South Carolina in two instances.

Mr. BASS of New Hampshire and include an article.

Mr. MCCONNELL and include two articles, one a statement of the Secretary of Health, Education, and Welfare and also the Secretary's letter regarding certain figures in connection with school construction legislation.

Mr. SMITH of Wisconsin in three instances and include extraneous matter.

Mr. GAVIN in three instances and include extraneous matter.

Mr. WOLVERTON in three instances, in each to include extraneous matter.

Mr. JOHANSEN in three instances, in each to include extraneous matter.

Mr. RHODES of Pennsylvania and include extraneous matter.

Mr. BYRNE of Illinois (at the request of Mr. MARTIN).

Mr. AVERY (at the request of Mr. MARTIN) and include an editorial.

Mr. VAN ZANDT (at the request of Mr. MARTIN) and include extraneous matter.

Mr. SANTANGELO (at the request of Mr. ALBERT) immediately following the remarks of Mr. CANFIELD on St. Patrick's Day.

Mr. ADDONIZIO (at the request of Mr. ALBERT) immediately following the remarks of Mr. SANTANGELO on St. Patrick's Day.

Mr. RODINO (at the request of Mr. ALBERT) immediately following the remarks of Mr. ADDONIZIO on St. Patrick's Day.

Mr. FLOOD (at the request of Mr. ALBERT) in two instances and to include extraneous matter.

Mr. DURHAM (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. GARMATZ (at the request of Mr. ALBERT) and to include extraneous matter.

Mr. DINGELL (at the request of Mr. ALBERT) in two instances and to include extraneous matter.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 42 minutes p. m.) under its previous order, the House adjourned until Monday, March 18, 1957, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

601. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation entitled "a bill to provide further protection against the dissemination of diseases of livestock or poultry, and for other purposes"; to the Committee on Agriculture.

602. A letter from the Secretary of Labor, transmitting a draft of proposed legislation

entitled "A bill to amend the Labor Management Relations Act, 1947, as amended"; to the Committee on Education and Labor.

603. A letter from the Acting Archivist of the United States, transmitting a report on records proposed for disposal, pursuant to the act approved July 6, 1945 (59 Stat. 434); to the Committee on House Administration.

604. A letter from the Assistant Secretary of the Interior, transmitting a report submitted by the Director of the Bureau of Land Management showing tabulations of withdrawals and restorations of public lands in certain cases for the period January 1 to December 31, 1956, pursuant to the act approved June 25, 1910 (36 Stat. 847, 16 U. S. C. sec. 471; 43 U. S. C. sec. 141 et seq.); to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 195. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

Mrs. GREEN of Oregon: Joint Committee on the Disposition of Executive Papers. House Report No. 196. Report on the disposition of certain papers of sundry executive departments. Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR (by request):

H. R. 5982. A bill to extend the period during which vocational rehabilitation training may be afforded certain disabled veterans of World War II; to the Committee on Veterans' Affairs.

H. R. 5983. A bill to afford vocational rehabilitation to certain veterans in need thereof to overcome the handicap of a disability rated 30 percent or more incurred in or aggravated by active service subsequent to January 31, 1955; to the Committee on Veterans' Affairs.

By Mr. ASPINALL:

H. R. 5984. A bill to authorize the exchange of certain lands at Black Canyon of the Gunnison National Monument, Colo., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BROYHILL (by request):

H. R. 5985. A bill to amend the War Orphan's Educational Assistance Act of 1956 to eliminate the upper age limitation for persons eligible for educational assistance thereunder; to the Committee on Veterans' Affairs.

By Mr. CRAMER:

H. R. 5986. A bill to amend the Internal Revenue Code to assist small and independent business, and for other purposes; to the Committee on Ways and Means.

H. R. 5987. A bill to increase from \$600 to \$1,000 the personal income-tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemption for old age or blindness); to the Committee on Ways and Means.

By Mr. ELLIOTT:

H. R. 5988. A bill to provide for the admission to St. Elizabeths Hospital, in the District of Columbia, of certain citizens of the United States adjudged insane in foreign countries; to the Committee on Education and Labor.

16. STATEHOOD. Received a resolution of the Mont. Legislature urging immediate statehood for Alaska. p. 3339
17. LIVESTOCK. Received a resolution of the Mont. House urging an investigation of the price spread between retail beef and beef on-the-hoof. p. 3341
18. ELECTRIFICATION. Received a resolution of the Mont. House urging construction of a multi-purpose dam on the Flathead River at Glacier View. pp. 3341-2
19. WATER RESOURCES. Sen. Murray urged an integrated development of the resources of the Missouri Basin and inserted a memorial of the Mont. Legislature asking Congress to implement the O'Mahoney-Millikin amendment to give precedence to Western uses of water over navigation and other uses, and urging a study of the Missouri River Basin requirements. pp. 3342-3
20. SOIL CONSERVATION. Sen. Thye urged passage of S. 575, to provide soil and water conservation laboratories and inserted a resolution from the Minn. Legislature requesting permanent establishment of the field station at Morris, Minn. p. 3343
21. ORGANIZATION. Sen. Javits inserted a resolution from the Red Creek Valley Grange urging adoption of the Second Hoover Commission recommendations. p. 3345
22. FOREIGN AID. This office has received a limited supply of two committee print reports prepared for the Special Committee to Study the Foreign Aid Program by the National Planning Ass'n, No. 5 "Agricultural Surplus Disposal and Foreign Aid," and No. 9, "The Foreign Aid Programs and the United States Economy," in the Foreign Aid Study series.
23. COTTON. Sen. Goldwater asked discharge of the Armed Services Committee from S. J. Res. 63, relating to the stockpiling of extra long staple cotton, and reference to the Agriculture and Forestry Committee; but later withdrew his request by request of the Minority Leader. p. 3354
24. INFORMATION. Sen. Wiley inserted a statement and other material on selection of a site for the proposed auditorium and cultural center. pp. 3360-3
25. FOREIGN AID. Sen. Case, N. J., commented on polls showing popular support for foreign economic aid, and inserted an article comparing five such polls. pp. 3363-4
26. BANKING. Continued debate on S. 1451, to amend and revise the statutes governing financial institutions and credit. Agreed to an amendment allowing internal audits of credit unions save in cases where the Director of the Bureau of Federal Credit Unions felt an outside audit to be necessary. pp. 3365-6, 3378,9, 3389-97
27. CORN. Sen. Thye, Sen. Bricker, Sen. Case, S. D., and Sen. Hickenlooper, discussed corn acreage allotments and the farm program with respect to corn. Sen. Thye pointed out the low percentage of eligible corn producers in the commercial corn area who signed up for 1957 acreage allotments, and asserted that the tendency was for the lowest producers only to join, and that this program might not stop the increase in production but lead to an even larger surplus, not only of corn, but also of pork and poultry (p. 3374). He regretted that the Agriculture and Forestry Committee had devoted only a few days

hearings to the subject of corn acreage allotment, and urged a supplemental signup to take more land out of corn production (p. 3375). Sen. Case observed that unless the national signup were higher, there would be no reduction in corn production (p. 3376). Sen. Hickenlooper expressed his concern over House action on the corn bill (p. 3376), and Sen. Thye agreed that the Senate Committee had waited on House action (pp. 3376-7). He inserted a tabulation of the 1957 corn allotment program, by states (p. 3377). pp. 3373-8

28. FOREST SERVICE. Sen. Morse praised the Forest Service for its work, and criticized the administration's budget for failure to include more funds for timber access roads. He stated that such costs are recovered by Forest Service timber sales, and inserted the annual report of Region 6, on operations in the Pacific Northwest (pp. 3380-4). Sen. Morse commented that a \$2.6 million increase in the Forest Service appropriation would lead to \$7.6 in increased revenue. He urged adoption of a capital budget, and for investment in natural resource development (p. 3385). He criticized the administration for "selling out the American people to great monopolistic combines that are seeking to foist upon the people underdevelopment of the river basins and of natural resources." Sen. Johnston urged a budget committee from Congress to sit in on the making of the Budget (p. 3385).
29. DROUGHT RELIEF. Sen. Morse inserted "a penetrating analysis of the political irresponsibility of the present administration in meeting the drought disaster need", by Michael Strauss, in Frontier, and spoke of the importance of conservation of water resources to America. pp. 3387-9

ITEMS IN APPENDIX

30. FOREIGN AID. Sen. Green inserted his recent address discussing the review now being made of foreign-aid programs and including D. A. Fitzgerald's, ICA, letter regarding loan agreements being made with foreign countries in accordance with Public Law 480. pp. A2109-11
Rep. Merrow inserted an editorial stating that like all other programs, foreign aid deserves close and careful inspection. p. A2166
31. WATER RESOURCES. Sen. Kefauver inserted Sen. Morse's recent address, "Water, Electric Power, Flood Control, Reclamation and America's Future." pp. A2114-6
32. PRICES. Sen. Thye inserted an article, "Here's Why Prices Have Gone Up--Cost of Goods, Food Show Little Or No Increase," relative to the cost of food to the consumer and the price which the producer receives. pp. A2116-7
33. SMALL BUSINESS. Extension of remarks of Rep. Patman describing problems of small businesses and inserted a constituent's letter predicting that he and 50 or 60 independent appliance dealers in the Detroit area also will fail. pp. A2117-8
Extension of remarks of Rep. Brownson favoring Federal policy concerning the termination, limitation, or establishment of business-type operations of the Government in competition with private enterprise. pp. A2131-2
Extension of remarks of Rep. Berry describing some of the problems of the average small-business man. p. A2144
34. SOYBEANS. Sen. Thye inserted an editorial, "Japanese Market Not Yet Won," and stated the editorial relates to the exporting of United States soybeans to Japan and the working of Public Law 480 in this regard. p. A2120

35. ROADS. Sen. Goldwater inserted an editorial discussing the subject of control of billboards along Federal-aid highways, and stating it "isn't any of the Federal Government's business." p. A2129
36. BUDGET. Various speeches, extension of remarks, and insertions of editorials regarding the President's budget. pp. A2129, A2140, A2141, A2141-2, A2143, A2145-6, A2155, A2157, A2159, A2170
Extension of remarks of Rep. Colmer urging legislation which would provide for a joint legislative committee on the budget from the two Committees on Appropriations of the House and Senate; and the creation of an adequate staff for the joint committee. pp. A2138-9
37. 4-H CLUBS. Sen. Talmadge inserted an editorial commending 4-H Clubs, county and home demonstration agents and other Agricultural Extension Service workers. pp. A2129-30
38. CORN. Speech in the House of Rep. Andersen during debate on the corn bill. pp. A2134-5
Rep. Hoeven inserted an editorial stating that "the defeat of all the corn legislation in the House will come close to taking the prize in the present session for legislative botchery." p. A2138
Rep. Hoeven stated that "I am sure the corn farmers of the country are not fooled by what happened to the badly needed corn legislation." p. A2147
39. POULTRY. Sen. Talmadge inserted an editorial, "Georgia Champion Chicken State." p. A2135
40. ELECTRIFICATION. Rep. Porter inserted an editorial favoring the proposed Hells Canyon project. pp. A2139-40
Extension of remarks of Rep. Christopher commenting on the annual report of REA and stating that "a new water resources policy, regarding public power programs that would first curb and then eliminate public power was drawn up by Secretary of Agriculture Benson, Secretary McKay, then of Interior, and Secretary of Defense Wilson." pp. A2151-4
41. RIVER BASIN. Rep. Albert inserted Rep. Edmondson's address urging a full and early development of the Arkansas River Basin. pp. A2156-7
42. RESEARCH. Rep. Rhodes inserted a resolution passed by the Arizona State Senate urging sufficient funds for the purpose of accelerating research of the problem of economically desalting sea water. p. A2153
43. SOIL CONSERVATION. Rep. Thornberry inserted a prize winning essay, "Youth's State In Soil Conservation." pp. A2169-70
44. NATURAL RESOURCES. Rep. Metcalf commended and inserted an address delivered before the North American Wildlife Conference by Mrs. John Lee, League of Women Voters, "A Layman Looks At Natural Resources." pp. A2170-2
45. STATEHOOD. Various articles favoring statehood for Alaska. pp. A2155-6, A2163-4, A2168, A2174-7

BILLS INTRODUCED

46. ANIMAL DISEASES. S. 1628, by Sen. Ellender, to provide further protection against the dissemination of diseases of livestock or poultry; to Agriculture and Forestry Committee.

47. WATER POLLUTION. S. 1627, by Sen. Kuchel, to encourage the prevention of air and water pollution by allowing the cost of treatment works for the abatement of air and stream pollution to be amortized at an accelerated rate for income tax purposes; to Finance Committee. Remarks of author. p. 3351
H.R. 6072, by Rep. Baker, granting the consent and approval of Congress to a Tennessee River Basin water pollution control compact; to Public Works Committee.
48. LANDS; RECLAMATION. H.R. 6074, by Rep. Berry, to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Randall Dam on the Missouri River and for rehabilitation of the Indians of the Lower Brule Sioux Reservation, S. Dak.; to Interior and Insular Affairs Committee.
H.R. 6075, by Rep. Berry, to provide for the acquisition of lands by the United States required for the reservoir created by the construction of Oahe Dam on the Missouri River and for rehabilitation of the Indians of the Standing Rock Sioux Reservation, in South Dakota and North Dakota; to Interior and Insular Affairs Committee.
49. PERSONNEL. H.R. 6097, by Rep. Perkins, to provide for transfer of credit from the civil service retirement system to the old-age and survivors insurance system; to Post Office and Civil Service Committee.
H.R. 6110, by Rep. O'Hara, Ill., to provide for holidays and holiday pay for Government employees on Mondays following national holidays occurring on Saturdays and Sundays; to Post Office and Civil Service Committee.
50. BUDGET. H. J. Res. 277, by Rep. Cunningham, Neb., proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to Judiciary Committee.
H. Res. 205, by Rep. Withrow, to amend the rules of the House to limit expenditures for fiscal year 1958; to Rules Committee.
51. IMPORTS. H.R. 6086, by Rep. Hemphill, to regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood; to Ways and Means Committee.
52. FARM LABOR. H.R. 6087, by Rep. Herlong, to amend the Fair Labor Standards Act of 1938, as amended, with respect to handling of agricultural commodities; to Education and Labor Committee.
53. FLOOD CONTROL. H.R. 6093, by Rep. Lane, granting the consent and approval of Congress to the Merrimack River flood-control compact; to Public Works Committee. Remarks of author. p. 3404
54. DISTRESSED AREAS. H.R. 6101, by Rep. Price, to establish an effective program to alleviate conditions of substantial and persistent unemployment and underemployment in certain economically depressed areas; to Banking and Currency Committee.
55. TEXTILES. S. 1616, by Sen. Hill, to protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products; to Interstate and Foreign Commerce Committee. Remarks of author. p. 3349

Inventory of taxpayer delinquent accounts by tax groups: December 1956 and 1955—Continued

Region and district	Income				Employment				Other				Total			
	Number		Amount		Number		Amount		Number		Amount		Number		Amount	
	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955	1956	1955
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
San Francisco region:			Thous.	Thous.			Thous.	Thous.			Thous.	Thous.			Thous.	Thous.
Boise.....	2,211	1,682	\$1,536	\$1,406	860	1,099	\$411	\$473	140	168	\$209	\$109	2,211	2,949	\$2,155	\$1,988
Helena.....	2,138	1,930	1,019	1,961	1,035	831	527	333	126	151	253	281	3,899	2,912	1,799	2,576
Honolulu.....	2,584	2,399	2,791	3,266	1,047	1,196	668	876	169	240	470	203	3,800	3,835	3,929	4,346
Los Angeles.....	72,436	79,839	46,748	57,859	17,151	22,429	16,600	19,706	2,589	2,771	5,588	6,114	92,179	105,039	68,937	83,679
Phoenix.....	4,132	4,696	2,808	3,502	1,533	2,059	1,169	1,327	206	268	118	228	5,871	7,023	4,095	5,058
Portland.....	6,924	7,134	10,080	9,028	2,767	3,950	1,934	2,282	609	552	1,201	1,120	10,400	11,636	13,215	12,429
Reno.....	2,307	2,394	3,646	4,836	1,038	1,195	1,574	1,470	200	193	775	392	3,545	3,782	5,995	6,608
Salt Lake City.....	2,845	2,985	2,776	2,585	1,374	1,491	778	809	286	192	218	167	4,505	4,668	3,771	3,561
San Francisco.....	47,100	52,516	64,358	73,661	11,473	17,509	9,214	11,952	2,565	3,220	3,978	3,371	61,138	73,245	77,550	88,983
Seattle.....	14,028	15,455	8,998	11,345	5,937	6,417	5,687	5,410	887	762	1,756	1,531	20,852	22,634	16,441	18,285
International operations division.....	12,782	1,391	16,808	307	1,504	1,853	442	253	35	5	78	63	14,321	3,249	17,328	622

Mr. WILLIAMS. Mr. President, in conclusion, I wish to point out that I think there are two possible steps which should be proposed. First, there should be a more rigid enforcement of the laws to see to it that employers forward to the Government the funds being withheld by them, and that they be forced to recognize that such funds do not belong to the employers, but are, in reality, trust funds held in escrow. Or in the event the Department does not have adequate laws whereby collection can be enforced, it should recommend to the Congress whatever legislation is needed in order that the Department may be properly equipped.

Mr. THYE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. THYE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. LAUSCHE in the chair). Without objection, it is so ordered.

CORN ACREAGE ALLOTMENTS

Mr. THYE. Mr. President, on March 8, 1957, after the time allotted for farmers to sign up for their 1957 corn acreage allotments had passed, I made a check to determine what percentage of the eligible corn producers within the commercial corn area had signed agreements. First, I wanted to know what had happened in Minnesota. I called the Administrator in Minnesota and obtained the information. As I proceeded to analyze it, I found that only 5.7 percent of the eligible corn producers in Minnesota had signed agreements.

I then proceeded to make a further study as to how the producers in the other corn-producing States of the Union had acted. It was a most interesting study.

In Illinois, 229,463 farms were eligible for corn acreage allotments. The number of firm agreements which were signed in that State was 26,591. In other words, only 11.6 percent of the farmers eligible for corn acreage allotments signed agreements. The total number of acres

allotted to Illinois was 5,857,909. The number of acres placed in the reserve program were 342,992. Only 5.8 percent of the acres eligible were placed under the so-called soil bank reserve program.

In Iowa the number of farms eligible for corn acreage allotments was 214,400. The number of firm agreements in Iowa was 37,693, or only 17.6 percent. The number of acres placed in the reserve program was 598,414, or 8.7 percent of the reserve acreage allotment.

Consider next the State of Indiana, another very important corn-growing State. The States I have mentioned thus far are the most important corn-producing States. They are the States which have large acreage devoted to the growing of corn. In Indiana the number of farms having corn acreage allotments was 175,036. The number of firm agreements obtained was 28,187. The percentage of firm agreements to the total number of farms was 16.2 percent. The number of acres placed in the reserve was 337,268, or only 11 percent. In other words, only 11 percent of the qualified corn acres in Indiana were placed in the reserve program. The potential corn production in Indiana has not been reduced; neither has it been reduced in Iowa or Illinois. In Illinois, which has the largest acreage and the most productive corn acres, only 5.8 percent of the number of farmers eligible have signed agreements to reduce their corn planting.

Mr. CASE of South Dakota. Mr. President, these are very interesting figures. Does the able Senator from Minnesota have the figures for South Dakota?

Mr. THYE. Yes; I have them for all the States within the commercial corn area, and I shall refer to them. Eventually I shall ask unanimous consent to have the entire chart printed in the RECORD.

Mr. President, I note that the present occupant of the chair is the distinguished junior Senator from Ohio [Mr. LAUSCHE]. In his State, 155,504 farms have corn allotments. The number of firm agreements is 22,847. The firm agreements expressed as a percentage of the total farms amount to 14.7 percent. The total acres allotted in Ohio are 2,156,784. The acres placed in the reserve

program are 245,758, or 11.3 percent. Ohio is one of the high corn-producing States. If a reduction is to be made in the corn crop or in the feed crop, a reduction must be made in the number of acres producing corn in the four major corn-producing States of the Union, namely, Illinois, Iowa, Indiana, and Ohio; and some of that productive land must be placed in the soil bank, otherwise the production of feed will continue to be so great that it will fill all the storage spaces in the Nation.

Mr. BRICKER. Mr. President, will the Senator from Minnesota yield to me?

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Ohio?

Mr. THYE. I am glad to yield to the distinguished senior Senator from Ohio.

Mr. BRICKER. Does the Senator from Minnesota have the figures for the commitments into the reserve for the counties of the State of Ohio?

Mr. THYE. Unfortunately, I do not; that would be far too difficult an assignment.

Mr. BRICKER. Yes, it would be a complicated task. However judging from what the Senator from Minnesota has said, I presume that most of the commitments come from the counties wherein the production per acre is not so high as it is in the western counties of my State, where the production is very high.

Mr. THYE. I believe that to be entirely correct. In that connection, let me refer to Nebraska and Missouri. Nebraska has the highest percentage of acres signed up, and Missouri is next in order. Both Nebraska and Missouri have been in the drought area, unfortunately, during the past several years, and I presume the ground condition there still is such that those States continue to be threatened with drought. Therefore, perhaps it was the wisest thing for those corn producers to plan their acres into the program to the maximum amount. Evidently that was done, for the record for Missouri is as follows: Number of farms with corn allotments is 129,225; number of firm agreements, 33,960; firm agreements as a percentage of total farms, 26.3; acres placed in the reserve, 457,740, or 19.2 percent of the allotted corn acreage.

The figures for Nebraska are as follows: Total number of farms with corn allotments, 96,994; number of firm agreements, 46,086; firm agreements as a percentage of total farms, 47.5. We find that Nebraska signed up 25 percent for the acreage reserve, whereas Ohio signed up 11.3 percent. Furthermore, we realize that the western part of Ohio is where the really heavy corn production occurs, whereas the eastern part of Ohio is outside the commercial corn area.

Mr. BRICKER. Mr. President, will the Senator from Minnesota yield further to me?

Mr. THYE. I am glad to yield to the Senator from Ohio.

Mr. BRICKER. In other words, if the commitment to reserve is in the fringe counties, toward the eastern part of the corn producing area of my State, the 11 percent figure would not apply to the number of bushels produced, but would apply to the acreage, and therefore the commitment for reserve, insofar as bushels are concerned—I refer to the ultimate production—would be much less than the percentage of acreage commitment.

Mr. THYE. I think that is correct.

Mr. BRICKER. If the principle the Senator from Minnesota mentioned in the case of Nebraska and the other fringe corn-producing areas is applicable with respect to my State, that would be the situation.

Mr. THYE. Yes; that would be true.

For instance, Tennessee has some commercial corn-growing counties, but Tennessee cannot be regarded as among the greatest corn-producing areas of the Nation. At least, that is my view, after referring to the general map of the Nation and observing the number of counties in Tennessee which lie within the commercial corn area. In the case of Tennessee, we find these figures: Number of farms with corn allotments, 43,682; number of firm agreements, 10,076; firm agreements as a percentage of total farms, 23.2; acres placed in the reserve, 97,154, or 21.2 percent. In other words, 21.2 percent of Tennessee's eligible corn acreage went under the acreage reserve program. However, Tennessee cannot be expected to have a production per acre comparable to that of Illinois or Iowa or Indiana or Ohio, which we recognize as the large corn-producing States. Therefore, when Tennessee has 21 percent signed up, Alabama 18 percent, New Jersey 18 percent, Nebraska 25 percent, and Missouri 19 percent signed up, but only 5.8 are signed up in the area from which the bulk of actual corn production is most likely to come, I am alarmed. Unless the production of corn and feed grains is reduced during the calendar year 1957, the surplus will increase, and we already are threatened with an increase in the production of pork, because of the abundance of corn and cheap feeds. We already are threatened with increased surpluses in dairy production, because of the abundance of feed; and we know that the poultry industry is overproducing. That is evident because grade A eggs are now selling at 24 cents a dozen on the farm, medium eggs are selling for 22 cents, and the

smaller eggs are selling for less than that.

If this year the quantity of feed produced is as large as that produced last year, despite the drought in the Southwest, and if existing surpluses are thus added too, the entire livestock industry of the Nation will be threatened, and the markets will be broken more than they have been broken to date. Mr. President, that is why I am calling this matter to the attention of the Senate.

The Senate Committee on Agriculture and Forestry has not conducted the necessary hearings or devoted the necessary amount of time to develop the essential information. Neither has the committee taken the necessary amount of time to have a bill on the subject reported from the committee and brought before the Senate, where Senators can intelligently discuss it, act on it, and send it to the House of Representatives.

Mr. President, if we fail to take these necessary steps, we shall find ourselves, at the close of the 1957 harvest season, with a greater quantity of feed grains and a greater threat of increased production of livestock and dairy products and poultry than confronted us in any of the other calendar years since the end of the Korean war. If that situation shall occur, not only will Public Law 480 have to be continued in future years, but some other, drastic steps will have to be taken in order to cut down feed production and to bolster the farm economy.

All one has to do to see where the commercial corn area is, is to look at the map of the United States. It comprises the southern part of Minnesota, the southeast corner of South Dakota, the eastern half, or less than the eastern half of Nebraska, a little front down in the northeast section of Kansas, the northern half of Missouri, the southern one-third of Wisconsin, all of Illinois, all of Indiana, two-thirds of the State of Ohio, and the southern section of Michigan. Mr. President, we are not getting farmers to sign up in that area of the Corn Belt.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. THYE. I am delighted to yield.

Mr. BRICKER. The Senator's position, then, is that the present law, and the commitments under both conservation and the soil bank, are not adequate to reduce the total production of corn to such a point that consumption will be in balance with production. Is that correct?

Mr. THYE. The Senator is entirely correct. Few producers can sign up and come in under the national acreage allotment in the commercial corn area of 37,288,889 acres. The State of Illinois is one of the highly productive farm States where in the corn referendum the corn producers voted for the higher acreage allotment of 51 million, with a support price of \$1.31 a bushel.

Mr. BRICKER. I think the farmers in my State voted the same way.

Mr. THYE. Ohio, Indiana, Illinois, and Iowa are large corn-producing States, where the largest number of votes for the 51-million-acre allotment, with

a lower price, were cast. Unfortunately, however, there were not enough votes to put such a program into effect.

Mr. BRICKER. There was not the percentage of votes necessary to put the program into effect, although a majority of the producers voted for it.

Mr. THYE. Yes; it was far more than a majority. In fact, the percentage of votes for the program would have resulted in its being put into effect, if it had not been for the votes in some of the other States.

Mr. BRICKER. In what might be called the fringe production areas.

Mr. THYE. I would not say that. Minnesota is not a fringe production area. Minnesota, unfortunately, is not one of the States that voted very strongly in the corn referendum.

Mr. BRICKER. But those States were the States which did not vote for it.

Mr. THYE. That is correct; they voted for higher acreage and lower supports. In other words, the support price for 37,288,889 acres is \$1.36. The support proposed in the other provision of the program, as submitted in the referendum vote, called for 51 million acres at \$1.31.

There was one question in the referendum vote over which some of the producers were very much disturbed, namely, the proposal to remove corn from the list of basics. If that had been done, it would have been up to the Secretary to state what the minimum supports in the future would be. That caused many producers to shy away from a favorable vote on that question.

Mr. BRICKER. Mr. President, will the Senator yield for one more question?

Mr. THYE. I am delighted to yield.

Mr. BRICKER. Failure of the Congress to give its attention to this program and enact legislation authorizing the Secretary of Agriculture to move in this field, as he sought to do, will likely result in overproduction of corn this year, weather conditions being favorable, which will add to the Commodity Credit Corporation's holdings, and at the same time result in the production of more corn than can adequately be consumed by the livestock of the country, so that there will be a further glutting of the market and a likely break in price, as well as further cost to the Commodity Credit Corporation. Is that correct?

Mr. THYE. Without a question. All one has to do is analyze the statistics in the six major corn-producing States—namely, Illinois, Iowa, Minnesota, Ohio, Indiana, and Wisconsin—which accounted for 61.8 percent of the total United States production in 1956. They also accounted for 60.7 percent of the total commercial corn allotment. What is needed is a program for 1957. Unless something is done, I, as well as Senators who represent the high corn-producing States, such as Illinois, Ohio, Iowa, and Indiana, the States which produce 22,628,000 of the total of 37,288,000 acres, know what will happen. The State of Ohio has 11.3 percent of its acres reserved, Indiana has 11.0 percent, and Iowa 8.7 percent. Colleagues from those States know that corn and soybeans would be produced in such vast

amounts that our feed supply would be multiplied and be added to our surpluses, and that next year we would have greatly increased pork production. If the price of corn comes down to less than \$1 a bushel, feed lots will be filled up with feeder pigs again. If the price of corn falls to less than \$1, there will not only be greatly increased feeder cattle, but dairy herds. There will be overproduction of dairy herds, because that can be accomplished by increasing the concentrates of the feed.

Secondly, there will be an immediate increase in pork and poultry. Without question, the number of animals in feed lots, such as feeder cattle, will be increased, because carcasses with an additional 200 pounds weight of flesh at the marketplace will result. It is better to feed the animals corn than offer corn on the market at less than \$1 a bushel.

One need only look at the current market prices. We know the price of corn today. There was a support price last year of a little more than \$1.50. There was a price of \$1.25 for the noncommercial production in the commercial areas. This year we are threatened with continued overproduction and a continual addition to the surpluses of feed supplies in the United States.

If the Senate does not get a bill out of committee, and allow sufficient time for the House to consider it, and have the question taken to the floor of the House, we shall be in a bad situation. The House came within 7 votes of approving a bill which would have established a national corn allotment of 51 million acres. I believe it is now up to the Senate to have a bill reported by the committee, considered on the floor, and passed as soon as possible. The acreage allotment must be increased, and the Secretary must extend the time when corn producers can sign agreements under the acreage allotment program. Unless that is accomplished, I can only foresee a farm economy further depressed than that which exists at the present time.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. BRICKER. I wish personally to express my thanks to the distinguished Senator from Minnesota for bringing this serious situation to the attention of the Senate. The Senator from Minnesota is a distinguished member of the Committee on Agriculture and Forestry, and is thoroughly familiar with all the details of this problem, and he knows what legislation is necessary to attack it.

I wish also to emphasize to the Senator from Minnesota that speed is most essential in this program if we are to put it into effect before the planting season starts.

Mr. THYE. Today is the 18th of March. Planting will commence in all the commercial corn area—more especially in States such as Indiana, Ohio, Illinois, Iowa, and Minnesota—along about the first week of May. We feel that we are safe in planting corn until about the 15th or 20th of May in Minnesota. We have not many weeks. The program must first be approved by the

Congress, and then go to the State committees, and from there to the county committees. The township committees must then have knowledge of the program in order to be able to inform the producer. The producer must sign the agreement. All that must be accomplished before the 10th of May if the program is to be effective. The 10th of May will be exceedingly late in the season to tell the farmer what his program is to be.

Most of the signup came in the fringe areas of the Corn Belt. If we fail, all I can foresee is that we shall not bring about any material reduction in corn production for 1957, unless we get into the program some of the high-producing States, including some of the high-producing acres in Illinois. The Senator from Illinois [Mr. DIRKSEN] is present, as is the Senator from South Dakota [Mr. CASE] and the Senator from Iowa [Mr. HICKENLOOPER] and the Senator from Ohio [Mr. BRICKER]. Unless we can get some of the high-producing acres into the soil-bank program, we shall continue producing surplus corn, soybeans, and other feed grains, which will increase livestock production, and add to what is already a threatened surplus, not only with respect to dairy products, but other products. We are entering the cycle of increased pork production, which threatens the pork market.

We know what the poultry situation is. We know what the turkey producers have been faced with. The key to the problem is to get production down in all four of the major producing States, namely, Iowa, Illinois, Indiana, and Ohio, together with the southern tier of counties in Minnesota.

Mr. BRICKER. I thank the Senator from Minnesota for his courtesy in yielding to me, and for so thoroughly answering the questions which I submitted to him.

Mr. THYE. I am glad the distinguished Senator from Ohio raised the questions which he did, because they are important. The Senate Committee on Agriculture and Forestry has devoted only a few days' hearings to the subject of the corn acreage allotment. The Agriculture Committee has not reported a bill which could be considered on the floor of the Senate. I feel our farmers have been let down. They have looked to us to enact some kind of legislation which would permit them to enter the program and comply with the soil-bank requirements; but when they comply with 37-million-plus acres, even if all the farmers were in compliance, the percentage would be relatively small compared with the number of acres going out of production; 15 percent of an allotment of 37 million acres is not so great as 15 percent of an allotment of 51 million acres as a national allotment. Even if there should be full compliance there would not be taken out of production the number of acres necessary to keep the feed supply in balance.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. THYE. I yield.

Mr. CASE of South Dakota. I wish to join the distinguished Senator from Ohio

in voicing commendation of the Senator from Minnesota for bringing this subject to the floor of the Senate. Those of us who are not privileged to be members of the Senate Committee on Agriculture and Forestry have wondered at times what attention the Committee on Agriculture and Forestry was giving to this subject. It was my privilege to appear at one hearing which the committee held. I assumed that further action would be taken.

I believe the table from which the Senator from Minnesota has quoted shows that the average overall signup for the country is 12 percent of the eligible acres.

Mr. THYE. That is correct. In other words, 4,473,024 is the acreage placed in the reserve program. That would be fine if that acreage had come out of the heart of the corn belt. However, it came from the outer edges of it. Some of it came from the area of Nebraska. The highest percentage was from Nebraska; the next highest from Missouri. In both those areas extreme drought conditions prevailed.

Mr. CASE of South Dakota. The per-acre production was not so high.

Mr. THYE. It was not so high last year.

Mr. CASE of South Dakota. Probably a great many of those who signed up did so as a matter of insurance, in view of the uncertainty as to whether or not the moisture condition for this season would be better.

It seems to me that not only must the Secretary be authorized to have a supplemental signup, but that the attractiveness of the signup must be increased. The Senator from Minnesota pointed out that with a national acreage allotment of 37 million acres, not so much would be accomplished as if we used a 51 million allotment, such as was used last year.

Mr. THYE. The Senator is correct.

Mr. CASE of South Dakota. I realize that some persons will not quite get the import of that statement until they realize that if we are dealing with 51 million acres, and get a certain percentage of signup, it means that the difference between the 37 million and the 51 million acres, if not brought into the control program, will go into the production of other feeds.

Mr. THYE. Absolutely.

Mr. CASE of South Dakota. That is what the Senator fears.

Mr. THYE. Exactly.

Mr. CASE of South Dakota. I hope the Senate will give consideration to the bill which I introduced, which would not only authorize a supplemental or complementary signup, but would permit the Secretary to authorize an increase up to at least 50 percent of an individual allotment, provided the increased signup were paid for in kind, rather than in cash.

One of the things which I think disturbs some persons is the prospect of raising additional cash out of the budget this year to pay for a higher signup. Even that would be justified, I think, if we were to take the long look and see what is going to happen to prices next year.

Inasmuch as we have that budgetary situation, would the Senator think of increasing the attractiveness of the sign-up by making it possible for the farmer to put in whatever portion of his corn acres he desired, provided he took the pay for the supplemental sign-up in corn. That would take corn out of the bins, instead of resulting in great production.

Mr. THYE. Some producers would be very happy to have that opportunity, or that provision. However, in the main, there might be some question as to whether some would be willing to take all corn as a supplement. However, I believe they should have such an opportunity.

There are several bills in addition to the one which the distinguished Senator from South Dakota has mentioned. What disturbs me is that we have not, as a full committee, sat down and attempted to select the best out of all the bills and incorporate what we could agree upon as a majority into a bill which we could report from the committee for consideration on the floor of the Senate. We have not accomplished that kind of action.

Mr. CASE of South Dakota. That is a discouraging report to receive from the Committee on Agriculture and Forestry.

Mr. THYE. I am discouraged, and I know that the producers are discouraged. The State of Minnesota has signed up 5.7 percent in the reserve acreage allotment.

Mr. CASE of South Dakota. I think the percentage is about the same for my State.

Mr. THYE. In last year's program, the program for 1956, approximately 35 percent of the corn farmers were in compliance. With 35 percent last year and only 5.7 percent this year, it behooves me to voice my fear on the floor of the Senate. It also behooves me, as a member of the Senate Committee on Agriculture and Forestry, as well as one who, in part, represents such an important farm State as Minnesota, to speak out frankly in order to bring the question out into the open, because the public should know what is happening. Only in that manner can we bring about an adequate examination of the entire question.

There is still time in which to enact legislation along the line now proposed in committee in the various forms. There is still time to get the necessary information to the producers, so that they will be able to get into compliance with the acreage problem. The average corn farmer is endeavoring to help himself to correct and to rectify the surplus situation which is bogging down the national market. It is only the surpluses which are bogging down the market.

Certainly there has never been a higher purchasing power than the consumer enjoys at the present time. At no time in history have we had less unemployment or more people employed earning a higher wage than at present.

At no other time in our history have we had a better retail sales record and a better wholesale business than at the

present time. The Nation has never had so productive an economy as it has at the present time.

Therefore, Mr. President, it is not a question of the inability of the consumer to buy. The consumer is buying. He is buying some of the choicest cuts of meat. He is buying an ample supply of dairy products. It is a question, rather, of our production being greater than our consumptive needs and more than our export channels can absorb. Therefore our surplus is going into storage. With surpluses weighing down the market, a general softness is reflected.

There is only one way to firm up the market, and that is to take the production potential which lies in the total productive acres of the important Midwestern States and get some of it into the reserve program. If that is done, there will be effected a reduction in the overall feed supplies, and, as a result, the markets will immediately reflect a firmness. That is all that is needed to correct the situation.

The soil bank is available. However, with respect to the 37,238,889 acres in the commercial corn acreage program allotted to the corn producers, it will be impossible to get further compliance.

That is evident, because we have already passed the period of sign-up. The sign-up closed on the evening of March 8. It is impossible to get another acre into the corn program except by legislation and action on the part of the Secretary of Agriculture, in conformity with the legislation. Only by accepting more acres, such as those in the drought area or in the fringe area, will it be possible to get a few more acres into the sign-up. Otherwise, the sign-up is over. Only an act of Congress can reopen the program. Only by an act of Congress, and by the Secretary of Agriculture setting another date for a future sign-up, can a reduction be effected in the overall feed supply which is threatening the economy of our country.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. THYE. I am glad to yield.

Mr. CASE of South Dakota. I should like to make this final observation. It is my personal opinion that unless we get better than a 50 percent sign-up on acres, we will not get a reduction in corn production. During the past 3 years, when we have had a 44 percent or 45 percent sign-up in South Dakota, our actual production of corn has stayed level at about 3 million bushels. Of course, it has varied a little, but not very much. It has stayed at about that level. When we have only 40 or 50 percent of all the commercial corn farmers signed up, the other farmers, who do not come into the program, increase their production of corn to more than enough to make up for the farmers who have come into the program. Therefore, if we have only a 12 percent national sign-up, we will have a corn production far above what we have had for several years.

Consequently the situation is urgent, and certainly action should be taken. I commend the Senator from Minnesota for bringing the matter before the Senate at this time.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. THYE. I am glad to yield.

Mr. HICKENLOOPER. I, too, wish to commend the Senator from Minnesota for calling attention on the floor of the Senate to the statistics he has mentioned. I know of no Member of the Senate who is more acutely conscious of the difficult and almost impossible situation which confronts the corn farmers, or more aware of conditions with respect to feed, than is the Senator from Minnesota. He has worked diligently on this and other farm programs.

Is the Senator from Minnesota proposing that a 51 million acre base be adopted? I was not in the Chamber when he began his speech, and I do not know whether he proposes the passage of a specific piece of legislation.

Mr. THYE. I can answer the distinguished Senator from Iowa, who represents in part one of the largest corn producing States in the country, only Illinois being higher in corn production—

Mr. HICKENLOOPER. That is only because we have had a bad drought this year.

Mr. THYE. I did not mention any specific bill. I merely called attention to the percentage of the sign-up by the various States. I wished also to call attention to the fact that there were several bills in committee, either one of which, if enacted, would materially improve the situation with which the farmer is confronted today.

Mr. HICKENLOOPER. I was deeply shocked and greatly concerned by the action which the House took the other day in rejecting what I thought was a very simple solution to the whole matter. That was the so-called Harrison amendment, giving the farmers a choice with respect to what they voted for last month, based upon either 51 million acres, if they wanted to accept that figure, or 37 million acres, if they wanted to accept that figure.

I believe that specialized approaches to the legislation proposed the other day resulted in its defeat. I had introduced a similar legislative proposal earlier this spring.

Mr. THYE. That is correct.

Mr. HICKENLOOPER. It was a companion bill. I felt it was an extremely simple approach. All the data are in the hands of the county committees at the present time. Overnight they could notify each farmer in each county exactly what his situation would be. That would be the situation if the bill had been passed.

I should like to ask the Senator from Minnesota a question, and in doing so I do not mean to interrogate him unfairly, or to ask him for an opinion which may be highly speculative. I have in mind that the House has refused to pass such legislation.

Does the Senator, from his experience as a legislator, feel that if the Senate sent proposed farm legislation to the House, the House would give it the same kind of brutal treatment that it extended to the bill it was considering last week?

Mr. THYE. I am very frank to say that it seems we may expect that the House will reject any proposal now before the Senate Committee on Agriculture and Forestry, or any measure we might pass on the floor of the Senate. But I honestly believe that if they examine the figures, State by State, they will realize that the farmers could be placed in jeopardy by failure to act. Frankly, when I saw that 4,473,024 acres had gone under the acreage-reserve program I thought it was a great accomplishment, better than I had expected, and I thought that possibly we were on the way to getting production into balance. But when I commenced to analyze where the acreage came from that made up the 4,473,024 acres, and I found that there was a reduction of only 5.8 percent in Illinois, 8.7 percent in Iowa, 11 percent in Indiana, 11.3 percent in Ohio, and only 5.7 percent in Minnesota, and found that there was a signup in Tennessee and Alabama, outside the big commercial producing area, I realized that we had better take another good look at the matter and get the Department of Agriculture to think about its next step if we in Congress failed, because something must be done, Mr. President.

I am confident that if the Lord blesses us with a crop comparable to that which we harvested last year, the year before that, and the year before that, we will have a surplus which will fill our granaries besides having piles of grain across the countryside, if the storage bins are not available, because there is bound to be a large crop if the big corn producing States do not come into compliance.

Mr. HICKENLOOPER. Does the Senator feel, as I have a tendency to feel sometimes, that there are people in our country who, while attempting to see that their own affairs are taken care of very liberally by the Congress, would, on some occasions, just as soon see, and even welcome seeing the corn farmers go down to a point where their products would be on a distress market?

Mr. THYE. I could not comment with any certainty on that question. All I can say is that I hope that will never be the situation.

Mr. HICKENLOOPER. Has the Senator from Minnesota been on the floor on certain occasions when actually it has been said, "I am becoming sick and tired of hearing about corn, corn, corn?" Has the Senator heard that statement made?

Mr. THYE. Yes; unfortunately, I have.

Mr. HICKENLOOPER. Does the Senator think that such sentiments indicate any interest whatsoever in attempting soundly to take care of the interests of the great corn-hog-cattle-feeding economy of this country?

Mr. THYE. I should think, Mr. President, if that be the attitude, that we are possibly jeopardizing the future farm economy of the Nation by permitting additional surpluses to be produced and to weigh down the market. Any economist will tell us that surpluses weaken the market.

Mr. HICKENLOOPER. Mr. President, I do not wish further to prolong my re-

marks or to interfere with the Senator's speech, which is very timely, but I should like to suggest to the Senator that on this vitally important question the Committee on Agriculture and Forestry has not had a meeting this year. It has had one subcommittee meeting, but the full committee has not met on the question. In mitigation, perhaps, I will say that it was confidently expected that the House would pass some measure on the subject and that the Senate Committee on Agriculture and Forestry might save some time by first seeing what the attitude of the House reflected. But the House has now spoken, and I earnestly hope that the Senate committee will begin hearings and consideration of the matter immediately. I think it is essential that it be done in the interest of establishing a program which farmers can understand.

I shall not further discuss the philosophy of the corn program, because the Senator from Minnesota is doing that very ably.

Mr. THYE. Mr. President, the distinguished Senator from Iowa is one of the senior members of the Committee on Agriculture and Forestry. We know what has taken place in the committee. It has been most disturbing to me that we have not settled down as a full committee with the specific assignment of considering corn legislation. We have not spent the time necessary to accomplish our objective up to this point. We had thought the House would act. But that does not excuse us for having failed to act, and it will not excuse us in the future. I have repeatedly called for action by the entire Agriculture Committee. In addition I have introduced a bill which

would help to alleviate the problem with which we are now faced.

This is Monday, the 18th of March. The action by the House took place last week. We are responsible to the corn producers as much as are the Members of the House. It is necessary that we take immediate action and get before the Senate some measure on which it can act, in order that we may pass a bill and send it to the House, hoping that the House will take appropriate action.

Mr. President, I also wish to point out that the extension of Public Law 480 is still a legislative question. We must extend it. That will be doubly necessary if we fail to increase the corn acreage in the commercial corn area, because if we fail in that respect we shall have a much greater need for Public Law 480 and a much greater need for appropriations in excess of what we appropriated last year to finance Public Law 480.

Mr. President, at no time have the Members of this body been faced with a greater responsibility or a greater urgency than is found in this corn acreage reserve question. Legislation should be enacted immediately. If we fail, Mr. President, we shall be threatening the farm economy more seriously than it has been threatened during the past 3 or 4 years.

Mr. President, I ask unanimous consent that a tabulation of acreage in all the States within the commercial area be printed in the body of the RECORD at this point, in order that all the States may be listed. I have not touched on all of them.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

1957 corn allotment program (commercial corn area)

State	Number of farms with corn allotments	Number of firm agreements	Firm agreements as a percent of total farms	Total acres allotted	Acreage placed in reserve	Reserve as a percent of acres allotted
Illinois.....	229,463	26,591	11.6	5,857,909	342,992	5.8
Iowa.....	214,004	37,693	17.6	6,862,686	598,414	8.7
Indiana.....	175,036	28,187	16.2	3,016,533	337,268	11.0
Ohio.....	155,504	22,847	14.7	2,156,784	245,758	11.3
Minnesota.....	133,710	15,761	11.8	3,436,176	194,919	5.7
Missouri.....	129,225	33,960	26.3	2,381,250	457,740	19.2
Nebraska.....	96,994	46,086	47.5	4,172,390	1,042,149	25.0
Michigan.....	95,140	16,979	17.8	995,695	166,602	16.8
Wisconsin.....	92,941	12,099	13.0	1,297,998	138,442	10.7
South Dakota.....	51,958	9,154	17.6	1,948,675	170,258	8.7
Kentucky.....	79,032	19,883	25.2	909,810	180,256	19.8
Kansas.....	34,704	11,769	33.9	905,079	186,896	20.6
North Carolina.....	80,051	9,974	12.4	850,262	79,849	9.4
Pennsylvania.....	56,317	5,862	10.4	582,079	54,046	9.4
Tennessee.....	43,682	10,076	23.2	458,135	97,154	21.2
Georgia.....	17,043	2,550	15.0	378,147	36,183	9.6
Alabama.....	27,827	6,458	23.2	303,314	55,481	18.3
Maryland.....	18,185	1,945	10.7	263,825	22,498	8.5
Virginia.....	9,435	1,355	14.4	123,548	14,056	11.4
New Jersey.....	6,663	1,584	23.8	104,900	19,673	18.8
Delaware.....	6,486	1,160	17.9	108,971	15,667	14.4
Arkansas.....	10,626	1,306	12.3	87,706	8,150	9.4
North Dakota.....	2,432	527	21.7	71,182	6,823	9.6
West Virginia.....	1,145	135	11.8	15,835	1,750	11.0
Total commercial area.....	1,767,603	323,941	18.3	37,288,889	4,473,024	12.0

Mr. THYE. Mr. President, six major corn States, namely Illinois, Iowa, Minnesota, Indiana, Wisconsin, and Ohio accounted for 61.8 percent of total United States corn production in 1956. They also account for 60.7 percent—22,628,086 acres—of the total commercial corn allotment of 37,288,889 acres for 1957.

However, these States placed only 8.2 percent or 1,857,793 acres of allotted acres in acreage reserve for 1957. Firm agreements for corn reserve total 4,473,024 acres.

To put it in another way, although they account for 60.7 percent of allotted acres, they only account for 41.5 percent of total firm acreage reserve agreements,

while the fringe States, accounting for only 39.3 percent of allotted acres account for 58.5 percent of total acreage-reserve agreements.

Mr. President, I yield the floor.

FINANCIAL INSTITUTIONS ACT OF 1957

The Senate resumed the consideration of the bill (S. 1451) to amend and revise the statutes governing financial institutions and credit.

Mr. FLANDERS. Mr. President, I offer an amendment to the bill (S. 1451) and ask that it be printed and lie on the table.

The PRESIDING OFFICER. The amendment will be received and printed and will lie on the table.

Mr. ROBERTSON. Mr. President, I call up my amendments designated "3-12-57-G." In order to save time, I ask unanimous consent that the reading of the amendments may be dispensed with, and that they may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, the amendments will be printed.

Mr. ROBERTSON's amendments are as follows:

On page 16, section 21 (d), lines 6 and 7, strike the words "of any surplus funds in excess of its common capital plus its undivided profits and reserves" and insert in lieu thereof "by which the surplus funds plus undivided profits and reserves exceed the bank's common capital."

On page 32, section 35 (a), line 23, strike "An" and insert in lieu thereof "And."

On page 34, section 36 (a), lines 10 and 11, strike the word "greatest" and insert in lieu thereof "greater."

On page 48, section 53 (d), lines 10, 11, and 12, strike the words "and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the consolidated banking association."

On page 51, section 54 (d), lines 10, 11, and 12, strike the words "and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the consolidated banking association."

On page 54, section 55 (d), lines 10 and 11, strike the words "and as a condition to such payment the shares so paid for shall be surrendered to and canceled by the receiving association."

On page 77, section 8 (a), first line, strike the word "here" and insert in lieu thereof "hereby."

On page 85, section 14 (b) (2), last sentence, strike the word "their" and insert in lieu thereof "its."

On page 91, first line, strike the word "in" and insert in lieu thereof "at."

On page 105, section 31 (c), line 3, strike the words "as amended."

On page 107, lines 3 and 4, strike the words "as amended."

On page 107, line 7, strike the words "as amended."

On page 110, section 33 (d), last line, strike the word "provision" and insert in lieu thereof "provisions of section 21."

On page 111, line 5, after the words "provided in," insert "section 23 (m)."

On page 111, section 35 (c), line 3, strike the designation "(a)" and insert in lieu thereof "(1)."

On page 111, section 35 (c), line 6, strike the designation "(b)" and insert in lieu thereof "(2)."

On page 117, section 39 (i), line 2, insert a comma after the word "collateral."

On page 121, section 42 (a) (3), line 3, strike "its" and insert in lieu thereof "the."

On page 121, section 42 (a) (3), line 4, strike "the" and insert in lieu thereof "its."

On page 123, section 43 (c), line 5, strike "agents" and insert in lieu thereof "agent."

On page 125, section 44 (a) (2), line 5, insert a comma after the words "foreign banking."

On page 125, section 44 (b), line 4, delete the comma after the word "approve."

On page 134, section 50 (a), line 2, strike the words "this section" and insert in lieu thereof "sections 45, 46, and 47."

On page 137, section 52, line 7, insert a comma after the word "agency."

On page 151, section 5 (d), line 12, strike the word "Administrator" and insert in lieu thereof "Board."

On page 156, section 11 (b), line 8, strike the word "him" and insert in lieu thereof "it."

On page 163, section 23, line 12, strike "district" and insert in lieu thereof "District."

On page 164, section 23, line 1, strike "subsection" and insert in lieu thereof "section."

On page 164, section 23, line 2, after the word "Board" and before the comma, insert "of Governors of the Federal Reserve System."

On page 167, section 29, line 15, strike the word "him" and insert in lieu thereof "it."

On page 181, section 40, lines 1 and 2, strike the word "district" and insert in lieu thereof "District."

On page 185, section 6, in heading, strike "home-loan banks" and insert in lieu thereof "Home Loan Banks."

On page 197, section 13, last line, strike "effect" and insert in lieu thereof "force."

On page 201, section 21 (a), line 4, insert a comma after the word "Corporation."

On page 203, section 2 (c), strike the words "by the Board."

On page 206, section 5 (d) (2), line 20, strike "association of its affairs" and insert in lieu thereof "association and its affairs."

On page 207, section 5 (d) (2), line 23, strike "Whether" and insert in lieu thereof "Whenever."

On page 207, section 5 (d) (3), line 1, strike "in the opinion of the Board," and insert in lieu thereof "it appears to the Board that."

On page 207, section 5 (d) (3), last line, strike "bank" and insert in lieu thereof "association."

On page 208, section 5 (g), line 5, strike "3111 or 3301" and insert in lieu thereof "3111 and 3301."

On page 210, section 5 (j), line 3, strike the comma after the word "association."

On page 213, section 7 (e), line 8, strike the words "the home" and insert in lieu thereof "home."

On page 216, section 403 (c) (5), line 23, strike "provisions" and insert in lieu thereof "provision."

On page 225, section 408 (b), line 3, strike "which ever" and insert in lieu thereof "whichever."

On page 235, section 15, last sentence, strike the word "subdivision" and insert in lieu thereof "section."

On page 241, section 25, line 4, strike the words "who are either" and insert in lieu thereof "who either are."

On page 246, paragraph (150), insert the number "6," between the numbers "5, 7."

On page 251, after section 805, insert the following new section:

REFERENCES IN OTHER LAWS

"SEC. 806. Any reference in any other law of the United States to any provision of any act or part thereof revised or reenacted by any title of this act shall, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof, be deemed also to refer to the corresponding

provision as so revised or reenacted by this act."

On page 6, table of contents, after "Sec. 805. Savings clause," insert "Sec. 806. References in other laws." and renumber the following sections of title VIII accordingly.

Mr. ROBERTSON. Mr. President, after the bill was reported to the Senate on March 4, I asked each of the Government agencies concerned to study the bill and to advise me of any technical errors. The amendments I have just submitted are based on the review by the agencies and our committee counsel. These amendments are purely technical. They are designed to correct typographical errors, insert proper punctuation, and to clarify the language of several provisions.

The only change proposed of any substance is to add a new savings clause to the effect that references in other statutes to laws contained in the bill will be construed to be references to the new bill. This amendment is necessary to preserve the effectiveness of present laws outside the banking statutes which make references to the banking statutes.

Mr. President, I ask unanimous consent that these technical amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection?

There being no objection, the amendments were considered en bloc and agreed to.

Mr. ROBERTSON. Mr. President, I call up another so-called committee amendment, to which I have heard no objection, namely, my amendment designated "3-12-57-F," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 231, it is proposed to strike subsection (b) of section 7 and insert in lieu thereof the following:

(b) The Director shall encourage every Federal credit union to make an adequate internal audit of its affairs at least once each year. In any case in which the Director deems it is necessary, either because of the absence or inadequacy of any such internal audit or for any other reason arising in the course of the supervision of any Federal credit union, he may require at such times as he deems necessary that such Federal credit union have an audit by an independent individual or firm approved by the Director or in the alternative require that it be audited by the Bureau. The expense of any such audit by the Bureau shall be considered part of the examination fees authorized in subsection (a) of this section.

Mr. ROBERTSON. As Senators who have read the bill know, it provides that a credit union which has assets of more than \$100,000 shall be required to have an audit made by independent, outside sources. But after considering the real business done by most of the credit unions, which runs up to \$400,000 without any collateral—and the bill authorizes an increase in the amount to \$500,000—and after considering that many credit unions are family affairs, so to speak, and that audits might be rather expensive, this amendment was framed to provide that audits would not have to

Labor and the Rackets

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD a timely and moving article by Victor Riesel entitled "Labor and the Rackets," published in the New Leader of March 18, 1957.

The article discusses recent revelations by the special Senate committee probing alleged criminal elements in the trade-union movement. Mr. Riesel is an appropriate author of such an article, for he has sacrificed his sight to exposure of those who would use the great American labor movement for selfish, ulterior and unworthy purposes. He has been a martyr to this effort.

One of my real fears over the current situation is that public opinion may be stirred to an unreasonable point, so that punitive legislation could damage the ability of the labor movement to achieve its basic goal, which is the protection of the living standards and working conditions of millions of American men and women. The Teamsters Union, for example, is under the most public criticism at the moment. Yet even the Teamsters Union has done useful work in helping to secure adequate wages for the truck driver, who is a worker peculiarly vulnerable to exploitation because he is so often in his cab alone, and thus separated from fellow workers.

The real task today is to purge whatever criminal element may exist in the Teamsters Union, without leaving the union permanently crippled and wrecked. The same alternative faces other unions. Mr. Riesel has rightly emphasized in his article that much of the decision is up to labor itself. He points out that, if genuine meaning is given to the ethical-practices codes of the AFL-CIO, "the public anger may subside." Mr. Riesel properly stresses the real challenge which the current situation poses to George Meany, president of the AFL-CIO, and to other outstanding leaders of American labor.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR AND THE RACKETS

(By Victor Riesel)

(EDITOR'S NOTE.—Organized labor today faces its greatest crisis since 1948. Then it had to expel Communist-controlled unions in order to avert more drastic legislation than the Taft-Hartley Act. Now it must smash corruption, or face right-to-work laws on the Indiana pattern and possibly worse. The corruption-ridden teamster, longshoremen, and smaller unions control several million dues-paying members, but the 16-million-member AFL-CIO will be committing suicide if it does not act against them before the legislators do. Only by swift, vigorous, action against the businessmen in labor—the Jimmy Hoffas as well as the Johnny Dies—can George Meany, Walter Reuther, James Carey, and David Dubinsky, be sure

their own traditions will continue to inspire labor. Victor Riesel was managing editor of the New Leader before becoming labor columnist of the Post-Hall syndicate. Last year he was the victim of an acid attack as a result of his exposure of gangsters in labor.)

A racket is a racket. This is not from Gertrude Stein. It's a good old-fashioned, heavily muscled, high-button-shoe definition. Away back there when it all began and ward heelers were in fashion instead of the trucking business, the boys used to sell tickets to a ball. The dance was held. The dancers held their gals real tight and sometimes the gals of the other lads, too. Then the slugging began. The racket started. The meat wagons came—as did the patrol wagons—and the racket ended for the night.

Soon the shenanigans became so popular, the boys sold more tickets than there was space for dancers. So they decided that, since some of the ticketholders couldn't get in anyway, why not be democratic about it all? Just sell tickets for a shindig for which none could get in. All men were then equal. No hall was hired. No band played. No racket was heard—or held.

This was the birth of the racket—the something-for nothing, the easy buck, and if you complained you'd wind up patronizing one of those white-curtained offices which you recognized by the sign of the huge, three-pronged gold tooth on the outside.

Then the boys did this with picnics, boat rides for which there was no boat—sometimes not even a river or a lake. Soon the strong-arm men were on steady payrolls.

The union boys in the days of the bowler hat, heavy brogans, and walking delegates thought it a fine function for the union. Soon the racket was refined. Something-for-nothingism became a big business. But unnoticed.

Sociological immorality had come to stay inside labor. This is hardly the magazine for a recital of the techniques of easy money. Every sophisticate knows of shakedowns, the price of labor peace, picket lines which pivoted for a price and disappeared like Houdini in his heyday.

But this was just in one section of the labor movement. There was the other section—those unions which dispatched calls to the young intellectuals, the young Socialists—the idealists, the dedicated. Singing pickets poured into the street for four bits a day, just enough for carfare and coffee at Childs at the corner of Union Square, where you could release your hostilities across the white marble-topped tables at the Commies, who always poured in from their headquarters on 12th and 13th Streets. Those were famous picket lines, for many reasons. Many an honest union was born on those cobblestones. Many a famous labor leader burgeoned as he was bludgeoned by angry city police.

And after the day's picketing was over, there was conversation about morality. Dignity of the workingman. His right to the job. An injury to one is an injury to all. Workers of hand and brain, don't worry; you'll eat. Pie in the sky. There were songs. And there were labor clubs, some of which were hit on the head regularly by the Communists.

There was love and there was Gemütlichkeit. Some day, the depression would be over and the dawn would be bright and everybody would earn at least \$7 a day and work 5 days a week. And John Lewis was the ogre because he was picking on the Progressive Mine Workers. And let's collect clothing for them. And who's going down to Harlan?

Many of these young pickets outlasted the depression. They were the forerunners, the advance men of the CIO. They became the intellectuals of the intellectual side of the labor movement. They marched again. They sang. They sat down. They became the experts in research and time-and-motion study, the publicists. They retained, in their

maturity, their love of labor, their nostalgia for those days of coffee over at Childs and the wandering into the night to Washington Square with a gal who is today's suburban matron with a bigger ranch house than the other ex-pickets.

They saw the tiny unions for which they fought become big and powerful. They saw a movement of 2 million become a mass of 16 million with 60,000 locals and over 485,000 officials. They saw the fledgling skeletal units of the thirties grow into internationals with several hundred million dollars in assets.

They saw such strength develop that Government and industry were forced to take over the welfare and old-age security of the working class—the beginning of fringe benefits. And while they didn't count the millions, their researchers could have told them that there was over \$35 billion in labor-management welfare funds throughout the Nation—just about \$15 billion more than there is in the United States old-age social-security funds.

They grew proud of what they had built and what was being built around them. They were angry when they read that the outside press was pointing to Communists in their ranks. This was a problem to handle all their own way. They could clean house. They would make the fight when the time came, but labor must not be split. Finally, in 1949, the Commies were ousted, and labor did not suffer. And suddenly there were new criticisms. Here and there, word began seeping into the press of the other labor movement.

Insurance companies were being set up by union people—and were looting the welfare funds and pension money. Big union treasuries were being pilfered. Unions were buying heavily into Wall Street, and some of their officials were picking up stock on margin which should have gone to the union's credit. Unions were buying real estate for investment and projects. And union officials were picking up parcels nearby because they would accrue in value as a result of the union's purchase. Unionmen were buying into companies which the union could make or break. Union salaries began edging up from the \$100-a-week norm to \$2,000 per—plus expenses. Private homes were bought, estates, expensive cars, summer homes, winter homes, swimming pools on front lawns. And the other day Jim Carey revealed that one brother even had an artificial waterfall in his living room.

Now this was different from the Scalise type of operation. Or Willie Bioff's deprecations, or the Lepke-Gurrah days, or the Communists' Black Gloves mob. This was the respectable, unpunishable type of looting. This was the beginning of the refinement. This was the new business-executive type of labor leader. This was the totally new type of union man.

There were now two kinds of labor movements.

There was the one led by wealthy men. There was the labor movement itself—full grown from the days of the 50-cents-a-day expense-account picket. Trouble was that the decent intellectuals and liberal folk just couldn't see the dichotomy.

No new leader need be burdened with a description of the years between—but soon came the merger of the AFL and CIO, and the old-time youngsters found themselves tied to sections of the old high-button-shoes crowd. Nostalgia overruled good sense. Misguided loyalty dominated clear thinking. There was insistence that those on the outside see it all as one labor movement which must not be hurt. There was the constructive role of the labor movement and that should overshadow it all. The outside critic should realize that exposures would injure labor's ability to bargain, the starry-eyed, decent ones said, rather testily at times.

But what they, in their reverence for their youth, did not know was that a sordid combine had moved in quietly—and deep. This was not labor gone tough. This was the tough gone labor.

It makes no difference whether the underworld actually captured unions or just became their buddies. The point is that the crime "take" out of the use of labor outfits was several billion a year. There was mayhem, terror—and worse. There was and is a terror tax on garments, Army uniforms, food, fish, home construction—even the facilities which carry water and natural gas.

There were cases, such as the Laundry Workers Union, where a cool million was looted from the welfare and pension funds. And this was just one of many. There were instances where homes for veterans and slum clearance programs in Negro areas were held up and even permanently canceled because some construction unions shook down contractors at \$50,000 a clip. There were instances where even our atomic energy and defense construction setups were victimized—and the Justice Department claims that the extortions of one man, Evan Dale of the Southern Illinois construction unions, cost the Government over \$50 million to build one atomic power project.

There was the waterfront. And the Operating Engineers Union, where Bill Wilkins, leader of the opposition group, was ousted because he took to the air and the press to tell his story. Wherever local opposition leadership sprang up, the national offices of the powerful unions involved simply put in a trusteeship. The experts tell me that some 15 percent of the locals of a certain combine of unions are under these trusteeships—and there have been no meetings, no elections, no reports to the membership for over a decade in some instances.

It was inevitable that investigations would be launched. Thousands of complaints poured in on the Government and on newsmen. Back in the winter of 1955, the Government Operations Committee of the Senate, just recovering from the Army-McCarthy hearings, began looking into reports of corruption in purchasing of Army uniforms. The committee counsel, Robert F. Kennedy, thought that this would be just another probe. He began following leads. He discovered that fully 95 percent of the legitimate men's garment manufacturers wouldn't bid for Philadelphia Quartermaster orders at one time—even though the Army could spend as much as \$180 million in 1 year. He then found all roads leading to New York racketeers inside labor, and from then on out across the country to what you've seen exposed recently.

Out of this grew the Senate Select Committee. Now the issue is just how much damage all this will do the legitimate labor movement. It is fascinating that Senator BARRY GOLDWATER, who is certainly not enamored of most labor leaders, has said that he is disturbed lest the deep anger of the moment lead to tougher laws than are good for labor.

Well, that all depends on what labor does at this moment. If it implements its ethical-practices codes, as it appears to be doing, the public anger may subside. If the unions in which there is corruption really clean house even a little, the fury may calm.

But if there develops the old refrain that the current probe is merely an attack on labor, the public will implement its anger. If the men of the coffee circle at Childs don't join, the public will move in wrath.

I have in mind particularly an intellectual fellow now a Teamsters' leader in the Midwest. After the first week of Senate exposures, he or one of his colleagues said editorially in their union newspaper that the probe was really an attack on the Portland Teamsters and their wives because these men and their womenfolk had elected Senators

DICK NEUBERGER and WAYNE MORSE. This was retaliation, the editorial charged, by some mysterious superforce.

Well, the point is that both DICK NEUBERGER and WAYNE MORSE favor the probe. They do not see it as any retaliation against the forces which elected them. But there you have the kind of rejection of reality in this Midwest teamsters' paper. Head-in-the-sand thing. Print it, believe it, and it will go away. I don't think it will. The people are too angry.

So are most of labor's national leaders. George Meany has not been offended by the probe, nor have Dave Dubinsky and the many others on the high council. Walter Reuther has spoken out in favor of it.

Jim Carey has also taken to the hustings. Listen to his words:

"But the issue today is far more menacing, because this time it comes from inside our movement. It is a betrayal from within. It is treason to trade unionism by those who pretend to believe in, and represent, trade unionism. It is pernicious perfidy by those who profess the ideals of union brotherhood only for the end of personal enrichment.

"These betrayers of labor, these traitors to trade unionism, have brought a terrible disease into the labor movement, a disease that must be cut out—surgically, swiftly, and unflinchingly—to prevent its spread into a corrupting contagion.

"Corruption is never a static thing. Corruption means decay, and decay—unless it is decisively halted—spreads from an unhealthy part of an organism to its healthy parts.

"The hard, cold inescapable fact is that we must utterly destroy racketeering and corruption in the labor movement or racketeering and corruption will destroy the labor movement."

To Jim Carey goes the order of the knights of the marble-top tables. Where are the children of yesteryear's Childs?

Resolutions Memorializing the Congress To Reduce the Eligibility of Persons Entitled to Old-Age Assistance to 62 Years

EXTENSION OF REMARKS
OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 7, 1957

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the resolutions memorializing the Congress to reduce the eligibility of persons entitled to old-age assistance to 62 years, which have been adopted by the Commonwealth of Massachusetts:

RESOLUTIONS MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO REDUCE THE ELIGIBILITY OF PERSONS ENTITLED TO OLD-AGE ASSISTANCE TO 62 YEARS

Resolved, That the General Court of Massachusetts hereby urges the Congress of the United States to enact legislation whereby the age at which all persons entitled to Federal old-age and survivors insurance benefits shall be reduced to that of 62 years; and be it further

Resolved, That copies of these resolutions be sent forthwith by the secretary of the Commonwealth to the President of the United States, to the presiding officer of each

branch of Congress, and to the Members thereof from this Commonwealth.

House of Representatives, adopted, March 5, 1957.

LAWRENCE R. GROVE,
Clerk.

Senate, adopted, in concurrence, March 7, 1957.

IRVING N. HAYDEN,
Clerk.

A true copy.

Attest:

[SEAL]

EDWARD J. CRONIN,
Secretary of the Commonwealth.

Compromise Necessary To Pass Corn Bill

SPEECH
OF

HON. H. CARL ANDERSEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 13, 1957

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H. R. 4901) to establish a minimum acreage allotment for corn, to provide acreage-reserve programs for diverted acres and for feed grains, and for other purposes.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota [Mr. H. CARL ANDERSEN], for 3 minutes.

(Mr. H. CARL ANDERSEN asked and was granted permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, as the gentleman from Missouri [Mr. JONES] stated previously, we are up against a very realistic situation. If anybody had asked me this morning if I would ever have agreed to this sort of compromise I would have said "No." I had hoped to propose and get serious consideration of the House on the basic problem of providing 90 percent protection on the family-size farm production.

Now, coming back to being realistic, I know that the temper of the House is such that it would refuse to give me the sort of consideration that that problem deserves. Consequently I am personally open to compromise.

I had intended this morning, as I said in a speech just before we went into this particular Committee, to force the issue of 90 percent parity on family-size production of 4,000 bushels of corn, 25 bales of cotton, and 3,000 bushels of wheat. I discussed the other feature of my proposal which has met with such widespread acceptance. But we must get the bill over to the other body. Unfortunately, I believe there are too many Members in this House who would just as soon see this legislation killed, and have no legislation at all. That is the only reason I am backing down in my viewpoint. I am willing to yield temporarily on the intention I had to force this price-support issue. I am willing to accept Mr. HARRISON's section 1. That is partially what my farmers are interested in. That says that we shall have an allotment of 51 million acres of corn. The farmers in the Corn Belt cannot survive with less. We have been urged to get that, which to me is the most im-

portant thing in this bill. If we have to concede something to our neighbors down South, what is wrong with that? We cannot shut them entirely out of this picture. I for one, as a Member from the corn producing area do not intend to say to the South that they cannot have any of the advantages of far-reaching agricultural legislation which we propose. So I am willing to accept the Poage amendment, mainly because, as has been stated before, it does not add a single dime to the cost for the soil-bank operation this coming year, \$1,200,000,000, which is already before my subcommittee on appropriations.

Secondly, it will give us the 51 million acres corn allotment we must have.

Third, it will help get a lot of this feed grain acreage out of production, and if any of you think you are facing this basic problem without taking into consideration this acreage of feed grain production down South, you are not facing up to the situation.

Furthermore, it is obvious to me and should be to everyone that it is either this compromise or no legislation and we must pass a bill today.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ABERNETHY. Mr. Chairman, I yield my time to the gentleman.

Mr. H. CARL ANDERSEN. I thank the gentleman.

I am pleading with you. Let us do something. I am yielding somewhat on my position. I voted for the Andersen substitute the other day because the House had accepted my amendment which had to do with feed grain acreage and a 51 million acre corn allotment was provided. My amendment was a part of it when I voted for it. Now the Poage amendment helps the Harrison amendment to some extent and I hope the bill will do some good. As the originator of the soil bank in the Congress, I want to see the soil bank go on through to success. Unless you do something along the line of reducing this feed grain acreage, wherever it may exist, we will never overcome this surplus feed-grain problem and the soil bank will not have a reasonable chance to succeed.

We are at a crucial point in farm legislation and much depends on our approving this compromise today.

Let me plead with the House, therefore, to finish this debate and accept the Harrison amendment as amended by the Poage amendment. Let us send it over to the Senate, Mr. Chairman. The Senate will then work its will, the conferees can get together, and I am sure we will have, as always is the case with such conferences, worthwhile agricultural legislation.

Mr. ABERNETHY. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield.

Mr. ABERNETHY. Is not the feeling in the commercial Corn Belt that one of the things which has created their feed surplus problem is the planting of diverted acres in the Wheat Belt and other basic crop areas?

Mr. H. CARL ANDERSEN. There is no question about that.

Mr. ABERNETHY. Has not that been a problem that has plagued them for several years?

Mr. H. CARL ANDERSEN. Yes; and it will remain a problem unless we adopt the Harrison amendment together with the Poage amendment.

Mr. ABERNETHY. If the Poage amendment is adopted and it operates to take out a bushel of corn here and a bushel there in sections where wheat and other basic crops were heretofore planted, it would actually benefit the commercial corn area, would it not?

Mr. H. CARL ANDERSEN. I, as a producer of corn up in the State of Minnesota, will benefit directly for every bushel of grain that is not produced outside the commercial corn area.

Mr. ABERNETHY. Of course.

Mr. H. CARL ANDERSEN. Certainly the effects will be reflected right on the terminal market in Chicago.

May I conclude with the plea that we finish this. Let us have a reasonable bill, Mr. Chairman. What is before us is not 100 percent satisfactory to all of us, especially when I think of what I would like to see passed by this Congress, when I think of the protection I would like to see afforded to the family-sized farm, and certain other improvements in the farm program. I realize we have no opportunity to do all we would like today. But let us do what we can, let us try to do something for the corn farmers everywhere in the United States, and let us do it in time so the corn farmer can make his plans for the coming spring.

This would not be a bad compromise under the circumstances; and, when you consider it in the face of the hard reality that our choice is between this and no bill at all, there should be no hesitancy on the part of anyone to vote for the Harrison amendment together with the Poage amendment. All legislation is a compromise and this bill is no exception.

Georgia Champion Chicken State

EXTENSION OF REMARKS

OF

HON. HERMAN E. TALMADGE

OF GEORGIA

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an editorial entitled "Georgia Champion Chicken State," from the Waycross (Ga.) Journal-Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GEORGIA CHAMPION CHICKEN STATE

Even Texas takes a back seat to Georgia when it comes to producing chickens.

Georgia last year had an estimated output of 238,829,000 baby chicks, a record production which represented one-ninth of all chicks produced in the United States.

Texas was runner-up, but the big State was a poor second to Georgia in commercial production with 112,715,000 chicks.

According to United States Department of Agriculture figures, 95 percent of Georgia's 1956 production (222,646,000 chicks) went into broilers.

This was 35,000 more than went into the same channel during the previous year.

The State's record-shattering output of chickens in 1956 represents a gain of about 534 percent in 10 years. A decade ago the commercial output was less than 37 million chicks.

Last year, as stated, Georgia hatched more than 233 million.

Georgia may not be able to claim honestly the title of Peach State, but no one will debate the fact that we are the undisputed champion in the chicken-production field.

The Hard Money Issue

EXTENSION OF REMARKS

OF

HON. WAYNE MORSE

OF OREGON

IN THE SENATE OF THE UNITED STATES

Monday, March 18, 1957

Mr. MORSE. Mr. President, in the Washington Evening Star of March 9, 1957, the great columnist, Thomas L. Stokes, wrote a penetrating column entitled "The Hard Money Issue." The subheading is "Administration Accused of Trying To Bar Investigation of Tight Credit Policy."

This column deals with a subject matter concerning which every Member of the Senate ought to try to read everything he can find. I ask unanimous consent that the article be printed in the Appendix of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE HARD-MONEY ISSUE—ADMINISTRATION ACCUSED OF TRYING TO BAR INVESTIGATION OF TIGHT CREDIT POLICY

(By Thomas L. Stokes)

One of the most intriguing behind-the-scenes battles for years is now being waged by the Eisenhower administration to prevent a congressional investigation of monetary policy and Federal financial institutions.

Such an inquiry would explore, among other matters, the hard- or tight-money policy of the administration about which Congress is receiving so many complaints. They come pouring in from small business, farmers, veterans who want to build homes, real-estate men, and others whose operations have been curtailed by the boost in interest rates all along the line which the administration has encouraged to curb inflation.

The resultant tight money policy also has depressed the value of Government savings bonds in which so many millions of persons of small means have invested—to the point, in fact, where the Treasury recently recommended an increase in interest from 3 to 3½ percent over 10 years on savings bonds to make them a more attractive investment. The House Ways and Means Committee has just approved a bill for that purpose.

Instead of a congressional investigation of monetary policy and Government financial institutions, the Eisenhower administration favors an investigation into the nature, performance and adequacy of our financial system by a commission of able and qualified citizens, as President Eisenhower described the aim in his annual message to Congress January 10.

He did not, however, head off the move for a congressional investigation, as was hoped. For Speaker of the House RAYBURN, of Texas, promptly announced his support of a House investigation as outlined in a resolution introduced by Representative WRIGHT PATMAN, Democrat, of Texas, which would authorize the House Banking and Currency Committee to do the job.

But the administration, with the backing of powerful financial interests, did not let up; in fact, redoubled its efforts.

Currently these are concentrated on the Rules Committee, which in recent years arrogated to itself life and death powers over legislation, though it is supposed to be merely a procedural committee to arrange for consideration on the floor of bills approved by legislative committees.

In the present case the administration has found a friend at court in its chairman, the veteran Representative HOWARD W. SMITH of Virginia, a very conservative southerner who has been cooperative with Republicans for years in the famous southern Democratic-Republican coalition that has often wrecked the plans of liberal Democrats. He kept the Patman resolution for a congressional investigation waiting for a long time.

Finally it was brought up for discussion this week and we saw how Chairman SMITH was still cooperative with the administration. By arrangement between high administration officials, on the one hand, and himself and Republicans who oppose the Patman resolution, on the other, two witnesses from outside were permitted to appear and argue against the Patman resolution and for the administration's proposal for an outside inquiry.

These two—Under Secretary of the Treasury W. Randolph Burgess and Frazer B. Wilde, of the Committee for Economic Development—were the first outside witnesses in 10 years to appear before the Rules Committee which usually confines witnesses to Members of Congress directly concerned with legislation.

In reply to Mr. Burgess' contention that a House investigation would be biased, Representative PATMAN pointed out in a speech to the House that Burgess had praised two previous congressional investigations into money and monetary policy as most impressive and said their reports educated public opinion.

Representative PATMAN said those advocating an outside investigation want a banker-guided study. A congressional investigation, he insisted, would be better able to get all the facts from all parties and all sides. Delving back into the past, he said he found precedents favor a congressional inquiry.

One reason the Eisenhower administration is trying to get the Patman resolution sidetracked in the Rules Committee is that it fears a number of Republicans would desert the administration and vote for a congressional investigation if the Patman resolution got to the floor. This is because of the many complaints from constituents about hardships due to high interest rates.

If the administration could get on its side another southern Democrat on the committee, Representative WILLIAM M. COLMER, of Mississippi, as well as Chairman SMITH, to join the four Republicans to vote against the Patman resolution, that would produce a 6-to-6 tie and a stalemate that would keep the Patman resolution bottled up. The committee consists of 8 Democrats and 4 Republicans.

A showdown is expected soon.

Obvious Peril to Democracy

EXTENSION OF REMARKS OF

HON. HERMAN E. TALMADGE
OF GEORGIA

IN THE SENATE OF THE UNITED STATES
Monday, March 18, 1957

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the Appendix of the RECORD an edi-

torial entitled "Obvious Peril to Democracy," from the March 8, 1957, issue of the Macon (Ga.) News.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OBVIOUS PERIL TO DEMOCRACY

Georgians have been following the fate of United States Attorney General Herbert Brownell's civil-rights bills with an interest which is matched only by apprehension. Many southerners have appeared at hearings in opposition to these proposals, and Senator TALMADGE, of Georgia, and Charles J. Bloch, a Macon attorney, made particularly noteworthy statements.

In brief, the legislation being considered would:

Create a Federal commission to protect the civil rights of citizens, with power to subpoena persons and records and to investigate claims of discrimination.

Empower the Attorney General to bring lawsuits for recovery of damages for discrimination, the expenses of the litigation to be paid by taxpayers.

Permit pronouncement of prison sentences without jury trial.

Authorize accusation and conviction not only for committing discriminatory acts, but for mere intent to commit such acts.

How can any intelligent person fail to see the perils of freedom and self-government in such bills? Yet, despite the recognized fact that discrimination is practiced in greater or lesser degree in every part of the country, only the South is outspoken in defending the Nation against these encroachments on democracy.

There is good reason to suspect that the national lawmakers from other sections of the country may on the one hand be so intrigued by the expression civil rights that they close their eyes to the obvious dangers, or on the other hand see clearly and with dismay the inequities of the bills but feel they must ignore their consciences and go along with this flagrant bid for Negro votes.

Mr. Bloch's testimony before a House subcommittee was calm and well reasoned. He traced the historical background of the present controversy and based his arguments on adherence to constitutional principles. His remarks were so impressive in one session that the chairman lifted the rule against applause.

Discussing the crumbling of the principles of constitutional law, Mr. Bloch asked for the South: "Are we supposed to supinely submit. I say 'No'—that we have the right to use every constitutional, legal means to demonstrate to Congress and the courts that these decisions are constitutionally wrong."

"We have just as much right to try to demonstrate to the Congress and the courts that *Brown v. Board of Topeka* is wrong as other people had to try to demonstrate that *Plessy v. Ferguson* was wrong."

(*Brown v. Board of Topeka* was the historic case which resulted in the public school desegregation decision of 1954 and *Plessy v. Ferguson* was the historic case resulting in the "separate but equal" opinion of 1896.)

Senator TALMADGE's argument that the proposed legislation is not only unnecessary, but would also be duplicative of and perhaps in direct conflict with the United States Constitution must surely have raised doubts even in the minds of northern Congressmen at the hearing.

"What rights would you protect which already are not guaranteed by the Constitution and the Bill of Rights?" asked TALMADGE. "Are new rights to be created? If so, what rights?"

Continuing, the junior Senator from Georgia asked why it was necessary to create a commission to do what State and Federal courts are already empowered to do, and what procedures for redress in cases of civil-rights violations would be submitted in lieu

of those already established by the Constitution and the Bill of Rights.

Senator TALMADGE quite rightly pointed out that any person—regardless of race, color, creed, previous condition of servitude, or place of residence—is fully protected in the enjoyment of his civil rights and has available to him immediate remedies in the event those rights are circumscribed or violated in any degree.

In the Senator's view, and in the view of the South, the protection of the civil rights of United States citizens lies not in the enactment of a welter of confusing, contradictory, and possibly unconstitutional laws but rather in a strict adherence to the constitutional guaranties, processes and prohibitions which are already the law of the land and which, without question, are adequate to meet every requirement of those who are concerned about protecting the rights of the American people.

No Inferences, Please

EXTENSION OF REMARKS OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. COLMER. Mr. Speaker, another indication of the ultraliberalism of the present United States Supreme Court is evidenced by an editorial which appeared in a recent issue of the *Evening Star*, Washington, D. C.

With tongue in cheek, the editor of this respected newspaper calls attention to this fact in the following editorial:

NO INFERENCE, PLEASE

District Attorney William M. Langley, of Portland, Oreg., has taken refuge in the fifth amendment in his appearance before the McClellan committee.

On the ground that truthful answers might tend to incriminate him, Mr. Langley has refused to say whether he was involved with mobsters and officials of the Teamsters Union in the Portland rackets. He did say that he presumed he had taken an oath to uphold the laws, but he invoked the fifth amendment when asked whether he lived up to his oath.

We do not know what the people of Portland, who elected Mr. Langley, think about all this. It is possible, however, that they are wondering whether they made a mistake in selecting as their district attorney a man who will not say, for fear of self-incrimination, whether he is a crook who has been mixed up in his home city's vice.

If any such thought is running through the minds of the Portland voters we feel duty-bound to admonish them against drawing unfavorable inferences from Mr. Langley's reluctance to tell the truth. And this is not some ridiculous idea that we have dreamed up; we are merely repeating what the Supreme Court has said. In a 5 to 4 ruling last April, with Justice Clark speaking for the majority, the Court said in emphatic terms: "We must condemn the practice of imputing a sinister meaning to the exercise of a person's constitutional right under the fifth amendment. * * *"

In case the Portland voters don't quite follow this, it means that if Mr. Langley should run for district attorney again they are to mark their ballots without drawing any unfavorable inferences from Mr. Langley's refusal to tell the McClellan committee whether he is an honest or a dishonest law-enforcement official.

State Department Rejects Dominican Explanation of Disappearance of American Pilot

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, March 11, 1957

Mr. PORTER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the complete text of the note sent by the State Department to the Dominican Republic on March 16, 1957, relating to the Gerry Murphy case:

The Embassy of the United States presents its compliments to the Department of State for Foreign Affairs and Worship of the Dominican Republic and has the honor to acknowledge the Department's note No. 3351 of February 9, 1957, transmitting the following documents in connection with the disappearance of Gerald Lester Murphy:

1. Report by the Attorney General of the Dominican Republic.

2. Photostats of the suicide note attributed to Octavio de la Maza, accompanied by photostats of known specimens of his handwriting.

3. Analysis of the de la Maza suicide note by Professor Manuel Ferrandis Torres, of the University of Madrid, concluding that the de la Maza suicide note is authentic.

4. Final disposition of the Murphy case by the examining magistrate concluding that he was murdered by de la Maza and must be presumed dead.

5. Final disposition of the de la Maza case by the examining magistrate concluding that he committed suicide after having murdered Murphy.

6. Interrogations by the examining magistrate in connection with the Murphy and de la Maza cases.

7. Miscellaneous reports related to the Murphy and de la Maza cases, including the medico-legal and autopsy reports on de la Maza.

From an examination of these documents and other evidence, this Government has concluded that if the specimens of handwriting submitted by the Dominican authorities as being of de la Maza are actually his, then the suicide note was not written by de la Maza.

Furthermore, this examination reveals a contradiction between the report of the Dominican Attorney General which states that Murphy's "political influence" in the Dominican Republic was the "object of investigation without anything serious being produced to justify it," and other available information. Our investigations indicate that Murphy was well acquainted with high Dominican officials, among them the late Col. Salvador Cobian, and Brig. Gen. Arturo R. Espallat.

It would also appear that Murphy's income while in the Dominican Republic must not have been limited to the \$350 per month salary which the Dominican Attorney General states he earned as a copilot for the Dominican Aviation Co. (CDA). Our investigations have confirmed the statements made by several American CDA pilots to the Dominican authorities that Murphy, in the words of one of them, "had more money than the rest of us" and that he owned 2 cars, 1 in Miami and 1 in Ciudad Trujillo. As far as is known, Murphy had no income of record in the United States during the period of his employment in the Dominican Republic.

The Government of the United States is gravely concerned about the disappearance

of one of its citizens in the Dominican Republic. It assumes that this concern is shared by the Dominican Government.

In view of the foregoing observations and other evidence which it has developed within its domestic jurisdiction, the Government of the United States considers the case of Gerald Lester Murphy as unsolved. The Dominican Government is urgently requested to reopen and vigorously pursue its investigation of the disappearance of this citizen of the United States.

EMBASSY OF THE UNITED STATES,
CIUDAD TRUJILLO, March 16, 1957.

Fuller Answers Chamber

EXTENSION OF REMARKS

OF

HON. CLEVELAND M. BAILEY

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. BAILEY. Mr. Speaker, since the 4th of February, the General Education Subcommittee of the Committee on Education and Labor has been conducting almost daily sessions hearing testimony for and against various bills authorizing Federal aid for school construction.

Secretary Marion B. Folsom has submitted data collected by the United States Office of Education to demonstrate the need for a Federal program which has been pointed up by a specific message from the President of the United States.

The data submitted by the Secretary has been under attack by opponents of the legislation presently under consideration, with the principal ammunition being fired by the United States Chamber of Commerce which has offered in evidence its own interpretation of the school facilities situation.

The fallacies in the chamber's interpretation has been pointedly answered by Secretary Folsom and by Edgar Fuller, executive secretary, Council of Chief State School Officers. Dr. Fuller publicized his answer in a letter to the editor of the Washington Post and Times Herald which was published by that newspaper on March 13.

Dr. Fuller's letter to the editor is included as a part of my remarks, and I invite my colleagues to read it carefully:

REBUTTAL TO CHAMBER OF COMMERCE SCHOOL AID VIEWS

Secretary Marion B. Folsom's reproach to the United States Chamber of Commerce for its barrage of misleading propaganda against the school construction legislation was highly justified. Most members of the Chamber will undoubtedly be as dismayed as the rest of the general public that such violations of fair play have taken place in the name of their organization.

Secretary Folsom illustrated the reasons for his protest mostly from one piece of Chamber literature, "Washington Report" for February. He could have used many others, since numerous graphs and other publications with no more than a part of the truth in obscure print have been widely distributed. Let us analyze a single page entitled "Is There a School Emergency?"

One side is covered by a huge colored graph, showing that each year since 1947 more public schools have been constructed than were necessary—for increased enroll-

ments. In the narrative on the other side the need for Federal assistance is portrayed as nonexistent, on the basis of enrollment increases alone, with a minor exception that will be discussed later. The graph, headings, and all but a few lines near the end give no hint of any other reasons to build new schools.

The United States Chamber of Commerce disregards the specific purpose of the legislation, which is to eliminate the backlog of need accumulated through a great economic depression and 2 wars. Then it hides more than one-half of the total need for school facilities in a cleverly designed document certain to mislead the public. It ignores the overcrowding of 2,295,000 pupils in 1956 to which President Eisenhower referred in his special message requesting the legislation. No mention is made of schools necessitated by mobility of population or by the consolidation of schools. Only the few lines at the end mention the 840,000 pupils attending one-half-day sessions or the replacement of obsolete or unsafe schools.

The graph carries this basic fallacy forward and the narrative adds more. In 1947, it says, increased enrollments required 9,500 classrooms and 16,000 were built. 1950-51, comparable numbers are reported as 20,000 and 44,000, this just before the National Survey of School Facilities found the need to be 312,000 classrooms. In 1955-56 the Chamber found " * * * 38,500 were needed, 67,000 were built." The number of classrooms constructed in that year was 62,776—not 67,000.

Then the chamber goes further, "The Office of Education's most recent estimate placed the need for 1956-57 at 41,300 classrooms, 69,000 were built." The estimate of need referred to was 159,000, not due merely to enrollment increases. The 69,000 referred to is the estimate of construction from July 1, 1956, to June 30, 1957, so the number actually constructed will not be known for many months.

On the same page, the chamber overlooked the 33,750 classrooms constructed with substantial Federal funds under Public Law 815 since 1950, including them among the 470,000 classrooms described as built during the past 10 years, without Federal aid. (Some of the chamber's literature claims 490,000 instead of 470,000, but Secretary Folsom placed the number at 406,000.)

Near the end of the page the chamber discovers 179,000 classrooms constructed over a period of 10 years in excess of those necessary for increases in enrollment, and says these were "used to absorb accumulated shortages and to replace obsolete buildings." Thus it counts 17,900 classrooms annually for a decade for purposes other than increased enrollments, certainly a minor fraction of the need. (Secretary Folsom says the true figures are between 4,000 and 10,000.)

Then the chamber says the crisis consists of the 840,000 half-day pupils, or only 2.6 percent of the enrollment. There is no mention of the 2,295,000 pupils in overcrowded conditions or the need due to other factors.

The truth is that the school construction necessary to bring our public-school plant up to par, is at least 100,000 classrooms each year for 4 years. Enrollment increases will require an average of not less than 45,000 each year during the period. Elimination of overcrowding will add at least 20,000 each year, and this part of the program should be accelerated for the sake of the children now in school. Replacement of obsolete facilities makes necessary another 20,000 classrooms annually, and an allowance of 15,000 for mobility of population, construction due to consolidations and normal replacements of overage facilities is conservative.

Informed persons in the United States Office of Education have said that the real need is for 112,000 classrooms annually for 4 years. There were 62,766 constructed last

year. We need a Federal assistance program to increase school construction at least 50 percent without further delay.

EDGAR FULLER,
Executive Secretary, Council of Chief
State School Officers.
WASHINGTON.

Restricting News Coverage

EXTENSION OF REMARKS

OF

HON. JOHN W. McCORMACK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. McCORMACK. Mr. Speaker, I include in my extension of remarks an article entitled "On Restricting News Coverage," written by Thomas L. Stokes, and appearing in the Washington Star of March 14, 1957.

In his article Mr. Stokes made one unintentional error when he referred to the get together with President Eisenhower "with the four Democratic leaders of Congress." There were 2 Republican leaders of both branches as well as 2 Democratic leaders of both branches.

While the following observation does not apply to Mr. Stokes, it is amazing that the approximately 90 percent of the newspapers of the country who supported President Eisenhower in 1952 and 1956 campaigns are silent on this matter, as well as on other matters of public interest, in addition, many of them discoloring political news.

The article follows:

ON RESTRICTING NEWS COVERAGE

(By Thomas L. Stokes)

An incident at the White House this week, trivial perhaps in the long history of empires and republics, illuminates the growing tendency to restrict news coverage of current history of the Eisenhower administration and its chief figure.

Oldtimers, at least, are getting irked. They can remember more free days, and not too far in the past, when Government was conducted in the fashion of a republic and not an empire. But for the incident—

President Eisenhower was having a get-together late in the afternoon in the White House, itself—the mansion—with the four Democratic leaders of Congress. As is customary in such cases, newspapermen left their usual stations in the lobby and press room of the Executive Offices and gathered in front of the White House, where the cars of the visitors were parked, so they could interview the leaders when they left. While they waited, a butler came out and talked to the drivers of the limousines. Immediately they sped away down the drive.

When the newspapermen returned to the Executive Offices, they found out that the congressional leaders had left by a back gate. James Hagerty, the President's press secretary who has become so much more than that, said it was he who had arranged for the visitors to use the gate by which they avoided the newspaper reporters and had sent word to the drivers. Then he added that the reporters had not been authorized to wait near the front porch.

Authorized.

Among the reporters thus duped were some who through the years have spent hours about the front porch of the White House, by day and by night, waiting for conferences of one sort and another in the White House,

itself, to break up, and then interviewed the participants as they were leaving.

Newspapermen needed no authority. Nobody ever questioned our right—not even in wartime, so long as we had our regular credentials.

Still remembered by some of us were the night meetings at the beginning of the Franklin D. Roosevelt administration concerned with ways to check the depression which gripped the country when President Roosevelt took over from Herbert Hoover.

Night after night we stood outside the White House as the new President conferred with Treasury officials and Members of Congress, initially over measures to salvage the tottering bank structure, later over many other measures to rescue the Nation from its worst depression. One night is more vivid than others, perhaps because somehow it reflected the lifting of the spirits of all of us under the tremendous drive and optimism of the new President.

As we waited, it began to rain, a cold March rain. A friendly police officer invited us up on the porch where we had shelter. Presently out of the White House came an old friend to join us, an ex-newspaperman, Marvin McIntyre, one of President Roosevelt's secretaries. Mac loved to harmonize. His favorite song was Home on the Range. He gave us the key and our chorus, rich and strong and not a little raucous, filled the rain-drenched air as we huddled together, arms across each other's shoulders, there on the front porch of the White House.

No one had authorized that.

Then there was the gloomy tragedy of the day of infamy when the Japs struck at Pearl Harbor. We stood outside the White House then for hours, grabbing for every scrap of news.

No one had authorized that.

Memory in this reporter's case goes much further back, back to a night when some of us waited outside for the breakup of a dinner that President Harding was giving to Judge Elbert Gary, of United States Steel, and Charles Schwab, of Bethlehem, and other steel magnates to talk over abolishing the 12-hour day then in effect in the steel industry. After it was over President Harding came out and invited us into the White House. He stood there while Judge Gary gave us a statement about the dinner conference.

There was one President, incidentally, who had a fondness for that front porch. One day, soon after Calvin Coolidge had moved into the White House after the death of President Harding, he was found sitting on that front porch by a Secret Service man. The latter politely informed the President that it was customary for Presidents to sit on the back porch overlooking the grounds and the Ellipse where, there was privacy.

"I like to sit here where I can watch the streetcars go by," the President replied.

So do we, Jim Hagerty.

Wake of the Farm Bloc

EXTENSION OF REMARKS

OF

HON. CHARLES B. HOEVEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. HOEVEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I submit the following article from the Washington Post and Times Herald of March 16, 1957:

WAKE OF THE FARM BLOC

The defeat of all the corn legislation in the House will come close to taking the prize

in the present session for legislative botchery. At least two reasonable measures to keep corn under control this year were advanced with administration support; both went down to defeat because the House Agriculture Committee insisted on promoting a scheme which would have opened the Treasury to outlandish subsidy demands for feed grains. Of course, the representatives of consumers in the large cities, Democrats and Republicans alike, arose in revolt. For this the shortsighted majority of the Agriculture Committee has only itself to blame.

Chairman COOLEY says that so far as he is concerned "the corn legislation is not a dead item." But by the time he patches up an acceptable compromise, if indeed any such compromise is now possible with the farm bloc split asunder, cornfields are likely to be seeded and sprouting. The one chance of inducing the vast majority of farmers to curtail their corn planting this year was to pass early in the session a simple measure enlarging quotas or giving individual farmers a chance to choose the larger quotas and lower price supports as against the smaller quotas and higher supports which are now available but which are also generally unacceptable. These opportunities have been missed, and it is not surprising that Representative ANDRESEN referred to the action of the House as "the wake of the farm bloc."

To Amend the Legislative Reorganization Act of 1946 To Provide for More Effective Evaluation of the Fiscal Requirements of the Executive Agencies of the Government of the United States

EXTENSION OF REMARKS

OF

HON. WILLIAM M. COLMER

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. COLMER. Mr. Speaker, now, when the Members of the Congress are more awakened to the gravity of our financial situation than at any time in the past quarter of a century, it is most appropriate that the House of Representatives, primarily responsible under the Constitution for taxation and appropriations, take some action to get our house in order.

It is past time for the Congress to revise its outmoded machinery.

In this age of alltime high taxes and record peacetime appropriations, our committees, and particularly the Appropriations Committees, responsible for appropriating the taxpayers' money, are substantially equipped for the job as they were 35 years ago when the appropriations and taxes were nominal—under \$5 billion.

Our Appropriations Committees in both the House and the Senate are at the mercy of the executive department. They are forced, because of their limited knowledge of the subject matter, to largely take the recommendations of the executive department. This is primarily due to the fact that they are not equipped with the necessary tools to do the job. This is no fault of the Appropriations Committees. It is due to the failure of the Congress to provide them

Brief in Answer to the Army's Case for Closing the Murphy General Hospital, Waltham, Mass.

EXTENSION OF REMARKS
OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, March 5, 1957

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following brief in answer to the Army's case for closing the Murphy General Hospital, Waltham, Mass., which has been submitted by Mr. Kenneth T. Lyons, national commander of the Federal Employees Veterans' Association, Watertown, Mass.:

In answer to the Army's six-point program as to why the hospital should close, the Federal Employees Veterans' Association produces the following facts and figures showing where the Army exaggerated and misconstrued the hospital's extreme value.

1. The Army's claim that the hospital was doing only a trickle of business compared with other Army general hospitals and that of what it did during the Korean war is not true. The fact is that Murphy Army General Hospital is operating at 80 percent capacity (129 bed patients, 2,800 outpatients per month) as authorized by Congress.

2. The Army's claim that cost per patient was nearly double corresponding costs for other general hospitals throughout the Nation might be true but the Army's authorized strength of officers and enlisted personnel to service the hospital is 173 but presently assigned to the hospital are 215. Authorized doctors' pay is \$10,851 per month, actually assigned doctors' salary is \$17,000 per month. Enlisted payroll per month is \$23,000 or \$7,000 more than authorized. From these figures of overstaffing by the Army in Washington, we can easily see why Murphy's costs run higher than those of other Army hospitals.

3. The Army's claim that there are adequate facilities for accommodating servicemen and their families at five other installations in Massachusetts is violently incorrect. At present there are three station dispensaries (not hospitals) caring for minor injuries and emergencies located at the Army Base, Boston; Hanscom Air Field and Westover Air Base, who after preliminary treatment transfer these patients to Murphy Army Hospital. Chelsea Naval Hospital and Fort Devens facilities are operating under full-capacity loads.

4. The Army's claim that there are three times as many hospital employees at Murphy Army Hospital as there were patients is most ridiculous. Murphy has 214 civilian employees caring for 129 bed patients and 2,800 outpatients per month. The civilian personnel are also assigned to the care, preservation and maintenance of the Air Force and the Department of Engineers areas who are now occupying one-third of the total hospital facilities.

5. The Army's claim that highly skilled medical personnel were desperately needed in other assignments throughout the country is easily refuted when you consider the number of Air Force, Army, and other military personnel assigned to this area who are in constant need of proper medical attention. We are in a greater need for a general hospital than any other area due to our vast military population. At present many New England armed service personnel are being sent to hospitals in Washington, D. C., and Pennsylvania due to inadequate facilities here.

6. The Army's claim that the Air Force and Department of Engineers need for space of the entire hospital will help the economy of Waltham and will satisfy these two units' need for additional space is "false economy" as both the Air Force and the Department of Engineers had ample opportunity to make use of thousands of square feet of vacant space in vacant buildings at the Boston Army Base. Local economy at the expense of depriving proper medical attention and service to military personnel and their dependents as well as retired military personnel is against our American way of life.

At present the following services have been given by the hospital to military personnel, their dependents and to retired military personnel during the month of January:

Outpatients	2,800
Admissions, bed patients	249
Laboratory tests	4,000
Prescriptions filled	5,200
X-rays	1,700

The medical care bill that was passed by Congress in 1956 was not a cure-all for military personnel and their dependents due to redtape and loopholes incorporated in the medicare bill. Actually the Army hospital has shown a 20 percent increase in services since the passage of the medicare bill.

To close the Murphy Army Hospital at a time when we have just introduced the largest peacetime defense budget together with the fact that there has been no lessening of our military strength is dangerous and can only bring severe hardships to thousands of Massachusetts and New England people.

Here's What Happened to the Republican Corn Bill

EXTENSION OF REMARKS
OF

HON. CHARLES B. HOEVEN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. HOEVEN. Mr. Speaker, despite warnings that corn and livestock prices might be jeopardized if an emergency corn program was not enacted immediately, the Democratic-controlled House on Wednesday last killed off such a Republican-sponsored program by a vote of 217 to 188. Several days earlier, the House killed a similar Republican-backed plan by a vote of 187 to 180.

I am sure the corn farmers of the country are not fooled by what happened to the badly needed corn legislation. Certainly the Nation's press was not fooled and placed the responsibility squarely on the Democrat majority. Let me cite just a few representative headlines which tell the story.

The Washington Post and Times Herald pinned the blame where it belongs in the following headline: "House Democrats Block GOP Move for Emergency Midwest Corn Relief." Here are some other headlines worth noting:

Minneapolis Tribune: "Democrats Beat Ike Corn Soil Bank Bill."

Indianapolis Star: "House Beats GOP's Corn Bill in Row."

Roanoke (Va.) Times: "House Kills GOP Farm Bill To Aid Cornrowers."

Tulsa Daily World: "Demos Defeat Corn Relief by Seven Votes."

New York Times: "GOP Corn Subsidy Plan Killed in House, 217 to 180."

Baltimore Sun: "GOP Corn Aid Bill Loses."

American Legion Birthday

EXTENSION OF REMARKS
OF

HON. GEORGE S. MCGOVERN

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. MCGOVERN. Mr. Speaker, the American Legion has just celebrated its 38th anniversary. I am sure that we all owe a debt of gratitude to the men and women of this great organization—not only for their sacrificial service in wartime, but for their continuing interest in the kind of a peacetime America for which good Americans have always worked and fought. The record of the American Legion in such vital fields as national defense, child welfare, education, and civic improvement is well known.

The Watertown (S. Dak.) Public Opinion, in an editorial dated March 13, 1957, has ably summarized some of the many distinguished achievements of the Legionnaires. The editorial is reproduced as follows:

AMERICAN LEGION BIRTHDAY

The American Legion, launched just after the armistice that ended the fighting in World War I in 1917, and formally organized a few months later, celebrates its 38th anniversary this week, March 15-17.

Its potential strength now augmented by the younger veterans of service in World War II and the Korean affair, the American Legion arrives at its 38th birthday with the largest membership in its history. Reports to the Codington County Post show that the Legion numbered more than 2 million members who had paid their 1957 dues before the first of this year, this achievement reflecting new interest in this organization among veterans substantiates the American Legion's expectation that it will pass the 3 million mark by a wide margin during 1957.

The American Legion has been a great power for good in the United States. It has been a good friend of education, largely instrumental in the organization and continued annual observance of American Education Week. It has been vigorously active in the fight against communism. It has had a broad and effective child welfare program for years. It has championed national security.

The American Legion has been nationally active in youth programs and in community civic development. Two of the outstanding achievements of the Legion in these fields in this community have been its sponsorship of the junior baseball programs and its purchase and donation to the city of Watertown of several acres of land as a site for the new armory, 4-H Club, and other facilities scheduled for construction this season.

Veterans' welfare has been one of the uppermost considerations in the Legion program in which it has effectively sponsored or campaigned for veterans legislation at the State and National level. It effectively supported organization and establishment of the Veterans' Administration.

Veterans of the last war benefited materially from the foresight of the older veterans, who were largely instrumental in bringing

about adoption of the GI bill of rights. More than 10 million World War II veterans received educational and vocational training at Government expense under the educational program set up by this American Legion-supported legislation.

The American Legion has a proud record of promoting both the national interest and the welfare of the Nation's defenders. It is entitled to a 38-gun birthday salute.

Lithuanian Independence Day

EXTENSION OF REMARKS OF

HON. RICHARD B. WIGGLESWORTH

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, February 4, 1957

Mr. WIGGLESWORTH. Mr. Speaker, under leave to extend my remarks in the Record, I include the following resolution adopted by the American Lithuanian Council of Norwood, Mass., in connection with the observance of the 39th anniversary of the declaration of independence by Lithuania.

We, the Lithuanian Americans of the town of Norwood, Mass., gathered together on the 17th day of February 1957, to recall to mind the vallant efforts of the Lithuanian nation in the great struggle for freedom and to commemorate the 39th anniversary of her declaration of independence.

Whereas having dutifully listened to the orators and their inspirational messages, fully aware of the gravity of the international crisis that has confronted the world during the past year and the present, cognizant of the horrendous reality which exists in the land of our ancestors—Lithuania, and also in all the Communist enslaved nations as was so shockingly demonstrated by the cruelty perpetrated in Hungary;

Whereas the Communist rulers of Russia violated all the human rights guaranteed under the United Nations Charter, in the Declaration of Human Rights, in the Genocide Convention and other bilateral agreements: Therefore be it

Resolved, That we humbly appeal to the conscience of the people of the free world, begging for their help in the name of justice and freedom; be it further

Resolved, That we protest the annihilation of nations and the suppression of the freedom in the lands under Communist domination; be it finally

Resolved, To petition the Government of the United States:

(1) To utilize all imaginable ways and means of stopping the annihilation of the Lithuanian nation and bring an end to their forced exile in the slave camps of Siberia;

(2) To compel the Russian Government to withdraw its forces of occupation from Lithuania and allow the people of this land to choose freely their own form of government and reestablish a free democratic Lithuanian nation;

(3) To request the United States delegation to the United Nations, to bring up the question of the unjust occupation of Lithuania by the Communist Russian Government, condemn Russia as an unjust aggressor and impose sanctions upon her.

THE AMERICAN LITHUANIAN
COUNCIL,

JOHN M. PECHULIS,
Chapter President.

PAUL TYLER, Secretary.

WALPOLE, MASS.

Thoughts on Labor, 1861-1957

EXTENSION OF REMARKS

OF

HON. GEORGE P. MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, March 18, 1957

Mr. MILLER of California. Mr. Speaker, Mr. Frank X. Veit is an officer of the Superior Court of the State of California in and for the county of Alameda and has been in that position for many years.

Prior to assuming his duties with the court, Frank Veit was an active member of the Molders' and Foundry Workers' Union and a sterling leader in the community of Newark, Calif., in which he resides.

In the February 1957 issue of the International Molders' and Foundry Workers' Journal an article appears by Mr. Veit entitled "Thoughts on Labor, 1861-1957." With this article, he included the statement by President Abraham Lincoln on the priority of labor.

I believe that this article is worthy of consideration by my colleagues and, under unanimous consent, I insert it in the Appendix of the CONGRESSIONAL RECORD:

THOUGHTS ON LABOR, 1861-1957

(By Frank X. Veit)

The month of February each year reminds the writer of our great President, Abraham Lincoln, and his birthday being celebrated this month.

It is regrettable that so few know the history of this great man. It is regrettable that Lincoln's priority-of-labor message to Congress is seldom, if ever, quoted at the many annual Lincoln Day dinners. In fact, the publicity of his priority-of-labor message is almost nil.

In the many years of experience of the writer, as a member of the Molders' and Foundry Workers' Union, as a delegate from local union No. 164 to the convention of the international union held in Cleveland, Ohio, in 1923, as a representative to the stove and heater conference several times, and as chief superior court clerk of the Superior Court for the State of California in and for the county of Alameda, Oakland, Calif., the writer has observed much about the law and its application, including the far-reaching Taft-Hartley Act and the part of the act which allows individual States to establish the so-called right-to-work laws. How this right to join or not to join a labor union can be construed as beneficial and protective for the workers is beyond the writer's knowledge of fairness or decency. Some of its cleverly worded features practically nullify organized labor, or reduce its effect to a minimum. Its sponsors and advocates know full well that the main intent and purpose is to individualize labor for easy exploitation purposes and to minimize collective bargaining by organization labor. It is their wish that by establishing a State right-to-work law, they can return to the nonunion or open shops of the days gone by.

The right to join or not to join a labor union is not the real issue. It's phony and pure propaganda promoted by the main sponsors and advocates of the Taft-Hartley Act. They wish participation of the nonmembers equally with the membership of organized labor in the benefits, working conditions,

wages, and other compensations established by the membership of labor unions through collective bargaining, without the nonmembers sharing equally with the members in maintaining the obligations and burdens which are necessary to maintain labor unions. In this way, they feel that eventually, enough of the people will quit the unions to cause them to disintegrate.

It should be a well-known fact that under individual bargaining, there is no bargaining or equality of bargaining power between the individual employee and the employer, and this inequality of bargaining permits the employer to make all bargains and terms and the individual employee either takes them or leaves them, according to his necessity to work and the availability of jobs.

"In numbers there is strength and security." This is worth remembering. Without 100-percent organization in a plant, there is no real effective collective bargaining power. There is a fundamental and sound principle of law that says that, "all laws must be equally applicable and obligatory upon all, and he that takes the benefit shall bear the burden." In accordance with that fundamental and sound principle of law, it follows with, "no person has the right to participate in the benefits, working conditions, wages, and compensation established by collective bargaining, without also participation equally in the obligations as a member of a labor union."

Prior to the Taft-Hartley Act, we had the Wagner Labor Act, which was established in 1935. There was nothing wrong with this labor act except that a few people felt it gave labor too many rights, and so to tighten up on labor, the Taft-Hartley Act was written to replace it. The advice of the writer to labor is to read and study the Taft-Hartley labor law together with the Wagner labor law and familiarize itself with the features of both and then to compare both with Lincoln's prophetic and immortal words in his "Priority of Labor" message to Congress. In view of Lincoln's prophetic words, it is reasonable to assume that, were he President at the time of the passage of the Taft-Hartley labor law, he would have vetoed the act.

"THE PRIORITY OF LABOR"

"(By Abraham Lincoln, from one of his messages to Congress)"

"I see in the near future a crisis approaching that unnerves me, and causes me to tremble for the safety of my country. As a result of war, corporations have been enthroned, and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all the wealth is aggregated in a few hands and the Republic is destroyed. I feel at this moment, more anxiety for the safety of our country than ever before, even in the midst of war. God grant that my forebodings may be groundless.

"Monarchy itself is sometimes hinted at as a refuge from the power of the people. In my present position I could scarcely be justified were I to omit to raise a warning voice against the approach of returning despotism. It is not needed nor fitting here that a general argument should be made in favor of popular institutions; but there is one point with its connections, not so hackneyed as most others, to which I ask brief attention. It is assumed that labor is available only in connection with capital; that nobody labors unless somebody else owning capital, somehow by the use of it, induces him to labor. Labor is prior to and independent of capital. Capital is only the fruit of labor, and could not have existed if labor had not first existed. Labor is the superior of capital and deserves much the higher con-

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued March 22, 1957

For actions of March 21, 1957

85th-1st, No. 49

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate committee ordered reported compulsory poultry inspection bill. Sen. Schoepel inserted Butz' testimony on operation of Public Law 480. House committee reported bill to continue Federal administration of ACP. House committee reported on Administration plan to improve congressional control of budget. House committee reported Labor-HEW appropriation bill. House committee ordered reported marketing facilities loan bill. (Cont'd page 7).

HOUSE

1. SOIL CONSERVATION. The Agriculture Committee reported with amendment H.R. 1045, to continue Federal administration of the ACP (H. Rept. 214). p. 3705
2. BUDGETING. The Appropriations Committee reported on the administration plan to improve congressional control of the budget (H. Rept. 216). p. 3705
At the end of this Digest is a summary of the report.
3. MARKETING FACILITIES. The Agriculture Committee ordered reported with amendment H.R. 4504, to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities. p. D228
4. INSECT CONTROL. The Research and Extension Subcommittee of the Agriculture Committee ordered reported with amendment to the full committee H.R. 3476, to facilitate the regulation, control, and eradication of plant pests. p. D228
5. PUBLIC LANDS. The Interior and Insular Affairs Committee reported without amendment H.R. 5538, to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the U.S. for military purposes shall not become effective until approved by Act of Congress (H. Rept 215). p. 3705

6. APPROPRIATIONS. The Appropriations Committee reported without amendment H.R. 6287, the Departments of Labor and HEW appropriation bill for 1958 (H. Rept. 217). p. 3705
7. POULTRY INSPECTION. Rep. Dixon expressed satisfaction with the general agreement of witnesses before the Agriculture Committee that compulsory poultry inspection should be administered by this Department, expressed hope for early enactment of this legislation. pp. 3703-04
8. CORN. Rep. Coad requested support of petition to the Secretary to support corn in the commercial corn area at \$1.60 per bushel. p. 3675
9. FOREIGN TRADE. Rep. Lane criticized the lowering of tariff rates on products entering this country in competition with our products. p. 3675
Rep. Bailey criticized the proposed reductions in certain tariff rates to "compensate the United Kingdom and Belgium for the tariff-increase on linen toweling". pp. 3696-97
The Banking and Currency Committee ordered reported H.R. 4136, to extend the period within which the Export-Import Bank may make loans. p. D228
10. REPORTS. This office has received the annual report of the Secretary of the Treasury (H. Doc. 3).
11. RECLAMATION. Agreed to a resolution providing for consideration of H.R. 2146, to amend the Small Reclamation Projects Act so as to retain congressional oversight of the small projects program. p. 3679
12. PAPERWORK MANAGEMENT. Rep. Hays commended Secretary of Defense Wilson's announced elimination of unnecessary reports and the reduction in volume of paperwork, and urged further reductions in Government paperwork. p. 3695
13. ELECTRIFICATION. The Government Operations Committee submitted a report pertaining to private electric utilities organized efforts to influence the Secretary of the Interior (H. Rept. 213). p. 3705
14. WHEAT. Received a Mich. Legislature resolution protesting the proposed revision of official standards for wheat promulgated under the U. S. Grain Standards Act. p. 3706
15. ADJOURNED until Mon., Mar. 25. p. 3705

SENATE

16. POULTRY INSPECTION. Agriculture and Forestry Committee ordered reported a clean bill (in lieu of S. 313, 645, and 1128) to provide compulsory inspection of poultry and poultry products. p. D226
17. PROPERTY; RESEARCH. Agriculture and Forestry Committee ordered reported without amendment, S. 1034, to convey certain research property to the Univ. of Mo. p. D226
18. INSECT CONTROL. The Agriculture and Forestry Committee ordered reported without amendment S. 1442, to aid in the control of plant pests. p. D226
19. FORESTS. The Agriculture and Forestry Committee ordered reported with amendments S. 44, to authorize this Department to exchange certain lands in the Apache National Forest, N. Mex. p. D226

20. SEEDS. Received from this Department a proposed bill to amend the Federal Seed Act; to the Agriculture and Forestry Committee. p. 3604
21. PERSONNEL. Received from the Treasury Department a proposed bill to facilitate the payment of Government checks; to the Government Operations Committee. p. 3604
22. WATER RESOURCES. Received from the Comptroller General an audit report of the Arkansas, White, and Red River Basins water resources development program, of the Corps of Engineers and Southwestern Power Administration, for fiscal year 1956. p. 3604
23. SOIL CONSERVATION. Received from the Interior Department a report on the soil survey of the Webster Unit, Kans., of the Missouri Basin project. p. 3604
24. ORGANIZATION. The Government Operations Committee submitted a report (S. Rept. No. 167) on "Organization of Federal Executive Departments and Agencies," with a chart outlining the personnel assignments down to the division level. p. 4606
25. EXPENDITURES. The Joint Committee on Reduction of Nonessential Federal Expenditures submitted its report on Federal employment and pay for January, 1957. pp. 3606-9
26. RESEARCH. S. 1552, to authorize the Department to study methods of raising fish on flooded rice fields, was discharged from the Agriculture and Forestry Committee and sent to the Interstate and Foreign Commerce Committee. p. 3617
Sen. Potter deplored the scarcity of scientists, and inserted an editorial urging the United States to maintain scientific leadership. p. 3632
27. COTTON. Agreed to transfer S. J. Res. 63, on the stockpiling of extra long staple cotton, from the Armed Services Committee to the Agriculture and Forestry Committee. p. 3617
28. MONOPOLIES. Sen. Dirksen inserted testimony before the antitrust and monopoly subcommittee of the Judiciary Committee, on America's domestic economy and the antitrust laws. pp. 3619-21
29. FOREIGN TRADE; SURPLUS COMMODITIES. Sen. Schoeppel reviewed the history of the Agricultural Trade Development and Assistance Act of 1954 and inserted the testimony of Assistant Secretary Butz reporting on the disposal of surplus commodities under Public Law 480 before the Agriculture and Forestry Committee. pp. 3621-3
30. PUBLIC LANDS. Sen. Barrett urged that royalties from minerals taken from Federal lands under the Leasing Act be granted to the State on which the land is located, as in his bill, S. 680, and inserted an editorial urging an increase in the royalties sent to the States, from 37½% to 90%, in line with Sen. Barrett's bill. pp. 3635-6
31. BANKING. Passed, with amendments, S. 1451, to amend and revise the statutes governing financial institutions. Adopted amendments allowing credit union loans in excess of maximum limits if authorized by Director of the Bureau of Federal Credit Unions and to allow office space in a Federal building if 95% of the membership were Federal employees. pp. 3637, 3642-58, 3661-3, 3673, D225

32. STOCKPILING. Sen. Martin praised Public Law 480 for helping the farmers while it aided in building up our strategic stockpile. pp. 3639-41
33. BUDGETING. Sen. Byrd presented a summary of a study of the Federal budget and suggestions towards reductions, totalling \$6.5 billion. pp. 3670-1
34. ELECTRIFICATION. Sen. Watkins inserted an address by Admiral Rickover on the challenge of attaining nuclear power. pp. 3671-3

ITEMS IN APPENDIX

35. COTTON. Sen. Hill inserted his statement before the Senate Agriculture Committee emphasizing the fact that "Alabama and the rest of the South are presently in the grips of a farm depression..." and that it is "absolutely necessary to provide relief for our farmers, who are so hard hit by depressed farm prices and reduced cotton acreage allotments." pp. A2278-9
36. CORN. Rep. Harrison, Neb., inserted a statement of reasons, which he and Rep. Polk submitted to the House, why their bills H.R. 4555 and H.R. 4589 should be passed. pp. A2281-2
37. BUDGET. Rep. Henderson inserted the breakdown of a Federal budget questionnaire which he sent to his constituents. p. A2282
Rep. Price inserted an editorial stating that Secretary Humphrey invented the new style "maybe" budget. pp. A2299-300
Rep. Cramer inserted an editorial commending his stand in asking that the President's budget be reduced at least \$3 billion. pp. A2326-7
Rep. Abbitt inserted an editorial, "Playing Politics With Budget." pp. A2345-6
38. WHEAT. Sen. Morse inserted an article, "Northwest Wheat Men Shun Soil Bank," discussing some of the problems of the wheat farmers. pp. A2283-4
39. SMALL BUSINESS. Sen. Potter inserted an address by Philip McCallum, general counsel of the Small Business Administration outlining programs of the Administration. pp. A2284-7
Rep. Garmatz suggested a program for small business financing. pp. A2342-5
40. PRICE SUPPORTS. Sen. Humphrey stated that "more and more people are demanding that the agriculture program be carefully reexamined with the objective in mind of making it more effective, both for the producer and the consumer," and inserted an address by Prof. Simerl, University of Ill., which deals with the price support program and on alternatives to the present system. pp. A2287-8
41. FARM PROGRAM. Rep. Hennings inserted an editorial favoring a proposal for the creation of an experimental farm in southwest Missouri and stated that it contains also a number of well-expressed ideas which are of universal applicability. pp. A2291-2
Rep. McGovern stated that "one of the most widely held political myths of recent years is the totally false notion that Secretary of Agriculture Benson has been cutting the cost of our farm program and at the same time reducing farm surpluses," and inserted an article on this subject. p. A2303
Rep. Harvey inserted a Farm Journal article, "Are Big Farms Taking Over?" pp. A2314-5

House of Representatives

THURSDAY, MARCH 21, 1957

The House met at 12 o'clock noon.

The Most Reverend Archbishop Vasili, of Byelorussian Autocephalic Orthodox Church, New York City, offered the following prayer:

Eternal God, our Father, Thou who did create the universe and us and did establish everlasting laws, and so loved mankind as to give Thy only begotten son, that we following Him, might edify Thy kingdom on earth.

Our Heavenly Father, Thou enlightened the mind of the glorious founders of this country, blessed them and helped them to draw up the laws for general prosperity and peace. Strengthen their hearts with Thy grace, that they may become merciful samaritans to all the fortuneless and homeless and to all in need. Make them the hope of all those who are suffering and oppressed, make them become the luminous torch of truth and liberty all over the world; for all races, nations, and individuals.

This prayer we make to Thee, our God, on this anniversary of the declaration of independence of Byelorussia, whose freedom was suppressed with brute, godless force, whose millions of martyrs before Thy throne cry to Thee: Exercise Thy justice, restore our freedom for which Byelorussian people strive without ceasing against their oppressors.

We beseech Thee, merciful Father, shorten the days of discord among nations, stop the fighting, remove the threat of war and hasten the end of oppression.

We humbly implore Thee, our God, accept this our prayer, bless this Congress, the United States of America, and Byelorussia.

May Thy glorious name, merciful Father, reign in our hearts and be blessed now and forever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

PRICE SUPPORT FOR CORN

(Mr. COAD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COAD. Mr. Speaker, last week, immediately following the defeat of the corn legislation in the House, I drafted a petition addressed to the Secretary of Agriculture and asked the Members of the House to join me in its support. This petition asked the Secretary to announce price supports on corn produced in the commercial corn area at \$1.60 per bushel for those farmers staying within their allotted acreage.

The program which this petition calls for is an urgent item, for I understand the Secretary of Agriculture is thinking of supporting corn which is grown outside of the allotment program. As we have seen in the last year, this kind of support program only tended to increase production which added to our overall problem.

Therefore, I invite others to join me in asking that supports at a higher level be placed where they ought to be placed—on corn which is raised in compliance with announced acreage allotments. The only possible way the corn producers can remain in the acreage allotments is to be assured of a fair price.

PROTECTION OF AMERICAN INDUSTRY

(Mr. LANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LANE. Mr. Speaker, it is a mystery to most Americans why tariffs are lowered to permit competing foreign products to enter this country and imperil American industries and American jobs.

In 1955 a 15-percent reduction in tariffs on rubber footwear products dealt a hard blow to our own manufacturers of these products right here in the home market.

Is this the kind of policy we want from an administration that is duty bound to protect American industries and American workers from unfair foreign competition?

We can understand why noncompeting products and materials should come into the American market. We need them, and they have them.

But when manufacturers of competitive goods which are produced by labor receiving less than 10 percent of the average wage paid in American rubber footwear plants are encouraged to send more goods into our market, we must fight these destructive policies until they are revoked and replaced by tariffs adequate for the protection of sorely pressed American industries.

What happens to American enterprise, and the American standard of living, when the executive department, by its arbitrary tariff cuts, invites foreign products that are manufactured by cheap labor to undersell our own industries and our own workers?

They are endangered by the actions of a Government that was elected to serve the best interests of the American economy and the American people, at least in our own domain.

The footwear producers in the United States are understandably bitter that

they are not given any representation in this country's tariff negotiations with other nations.

When the administration encourages low-wage producers of competing products from abroad to invade the American market by tariff reductions and other rulings, it is undercutting our minimum wage laws and other legislation passed by Congress to insure adequate wages and other benefits for our workers; not by deliberate intent, of course, but that is the way it works out. Perhaps this contradiction is not evident to those who concentrate on international relations but fail to comprehend the impact of tariff concessions on certain segments of the home market.

No wonder that Congress distrusts the proposed Organization for Trade Cooperation.

From the experience of the rubber footwear industry, the discretionary power of the Government to make tariff cuts without the restraining influence of customs law places this and other industries in the uncomfortable position where they can be horse traded out of existence at the whim of a few global planners in Washington.

We must resist these policies before they inflict further damage.

The rubber footwear industry in the United States, finding the administration deaf to its pleas for tariff protection, seeks the support of labor and management throughout the American economy to halt the concessions that are being made to competing products from abroad.

Must foreign policy be permitted to exercise a life-or-death control over those American industries that are regarded by some nonelected State Department officials as expendable?

PENN-TEXAS-FAIRBANKS, MORSE PROXY FIGHT

(Mr. REECE of Tennessee asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REECE of Tennessee. Mr. Speaker, on Tuesday I spoke regarding the spectacular attempt of the Silberstein-Penn-Texas syndicate to gobble up one of our most respected American corporations. I now wish to bring to the further attention of the Congress additional comment concerning these maneuvers. The first is an article in the March 25 issue of Time magazine entitled "In His Fight for Control of Fairbanks, Morse & Co., Financier Leopold Silberstein Operated With All the Cloak-and-Dagger Tactics of International Intrigue." The second is an article by the nationally known financial editor of the

New York Journal American, Leslie Gould, which appeared on March 20 and is entitled "How To Become a Big Shot Industrialist—Via Takeover Route." Mr. Gould, with obvious reference to the Silberstein maneuvers, states that there is a way to become a big-shot industrialist and "it can be done with other people's money." The essential step in the plan, says Mr. Gould, "as the takeover operation develops, influence peddling lawyers and retinue of publicity men and with actual or claimed access to high place—even that big Office on Pennsylvania Avenue in Washington—are taken on." Another step in the operation concerns the Swiss banks. Mr. Gould says if the company to be taken over is a larger one and associates with capital of the raiding group wish to be anonymous, there are the Swiss banks. The Swiss banks never reveal their customers, who can be anyone. Another wrinkle is to contract with third parties "mystery individuals to buy stock on their own, using their credit, but guaranteeing them a price substantially above the market. This is being resorted to more and more. It amounts to a buying of proxies, for the delivery of and payment for the shares is made after stockholders' meeting voting on the control."

Mr. Speaker, I have been officially advised that the SEC is even now continuing its investigation of the Silberstein-Penn-Texas operation. There is no indication that this investigation will be completed before the critical date of March 27, when the annual meeting of the Fairbanks, Morse stockholders is scheduled to take place. I am also advised that an action alleging conspiracy and violation of the SEC laws, among other things, has been filed by Fairbanks, Morse in the Federal court in Chicago. In view of the fact that the SEC investigation has not been completed, I feel that it is the duty of the SEC to intervene in the court action and ask the court to postpone the annual meeting until their investigation is completed. If this is not done the SEC may well find itself in the position, months from now, of locking the barn door after the horse has been stolen.

ECONOMIES IN THE HOUSE OF REPRESENTATIVES

(Mr. KILBURN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KILBURN. Mr. Speaker, I strongly endorse the resolution introduced yesterday by our colleague from California, Representative SMITH.

I agree with his position. I think the proposed additional House office building should be abandoned at least for the present. That the costly renovation of the present House office buildings should be indefinitely postponed and that certainly the front facade of the Capitol, after standing 100 years, can well wait until we have money available.

Many of us did not realize when this matter went through the House and cer-

tainly I did not appreciate how costly it was going to be.

In my 17 years down here I have had an office in the Old House Office Building. I have two rooms. They are fine offices—all I need and I don't want any more room.

I heartily commend Representative SMITH for his resolution and join with him in the hopes that it will be adopted.

ANNUAL MEETING OF UNITED STATES JUNIOR CHAMBER OF COMMERCE EXECUTIVE COMMITTEE

(Mr. MAY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MAY. Mr. Speaker, the United States Junior Chamber of Commerce executive committee meets annually in March in Washington, D. C., for the purpose of conducting regular business as well as becoming more familiar with the affairs of the National Government. During the course of the 3-day meeting, each of the members of the committee visit their Senators and Congressmen to talk over items of importance in their own State as well as nationally.

Each year in the District of Columbia meeting room of the Capitol a luncheon is held hosted by the senior Senator from the State of the president of the United States Junior Chamber of Commerce attended by the Senators from each executive committee member's State and the Congressman from his district. This year the luncheon was hosted by Senator COOPER, of Kentucky, in honor of Jaycee President Wendell H. Ford.

As a past national vice president of the United States Junior Chamber of Commerce, it is indeed a pleasure to be able to recognize that organization from the floor of the Congress.

Members attending the 3-day session are as follows: President Wendell H. Ford, Kentucky; Past President Hugh McKenna, Nebraska; Vice President Ralph Peters, Pennsylvania; Vice President William Risher, South Carolina; Vice President John Holland, Mississippi; Vice President Charles Shearer, Indiana; Vice President C. Robert Jones, Iowa; Vice President Wallace Springer, Missouri; Vice President Richard Fitzgerald, California; Vice President Lawrence Woodworth, Washington; Vice President George Pagonis, New Jersey; Roland Tibbetts, executive vice president, Oklahoma; Ben Sisson, treasurer, New York; Philip Knox, general legal counsel, California; Ira Kay, president of Junior Chamber of Commerce International; James Kelley, vice president of Junior Chamber of Commerce International; F. L. Fillipelli, president, Canadian Junior Chamber of Commerce.

DULLES ON THE MIDEAST

(Mr. MULTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. MULTER. Mr. Speaker, this morning's New York Times carries a headline "Dulles Confident on Mideast Trend—Events in General Are in the Interest of Peace He Says on Leaving for Bermuda."

I do hope that this is not a feeling of confidence engendered again by the fact that we have reached another brink. I do earnestly pray that we are on the way to peace. But if we are to be guided by what followed his past predictions, we are not on the way to peace but on the brink of dire trouble.

Mr. MARTIN. Of course, we have not got into war yet.

Mr. MULTER. No; and I hope we stay out.

Mr. MORANO. There is no shooting, though.

Mr. MULTER. There is plenty of shooting, unfortunately.

The same newspaper also carries this front-page headline immediately alongside the one I have already read. This one reads: "Outlook at Cairo Is Bleak on U. N. Talk With Nasser." Which headline do you believe, Homer Bigat's sent from Cairo or Secretary Dulles' pulled out of the air en route from Australia to Washington to Bermuda?

THE PLIGHT OF THE JEWS IN EGYPT

Permit me to direct your attention to another matter which is not receiving the attention of our State Department. It is best told in the following fact sheet issued by the American Jewish Committee:

THE PLIGHT OF THE JEWS IN EGYPT

(This fact sheet is one of a series of publications issued by the American Jewish Committee during its 50th anniversary year. For a half-century, the committee has upheld the right of every man to be judged on his merits, not by his religion, color, birthplace or ancestry. In those countries where democratic principles are faltering or alien, the committee seeks to protect Jews from oppression; to enable them to live not only in safety, but with dignity and full equality, and to emigrate without penalty, should they wish to do so. The American Jewish Committee is a non-Zionist organization. It has sought to help the State of Israel to become an effective advocate of liberty in the Middle East and to provide a dignified life for those who need or wish to settle there.)

The plight of Jews in Egypt today is a tragic one. Since November 1956, thousands have been formally expelled by the Nasser Government. Many more thousands have been forced to emigrate "voluntarily." At least 10,000 of the estimated 35,000 to 55,000 Jews in Egypt have had to leave the country. Those who remain face economic strangulation; with their goods and assets sequestered and their funds blocked, it is no longer possible for them to earn a living. They have been given to understand that there can be no future for Jews in Egypt.

The wall of isolation and secrecy which was thrown around these developments has been crumbling since November 24, 1956, when the American Jewish Committee first called attention to the facts. A few days later, the committee published Egyptian documents as irrefutable evidence. These disclosures were promptly minimized or disclaimed by Egyptian leaders. Additional data, assembled by the American Jewish Committee's overseas staff after interviewing hundreds of refugees newly arrived in Europe from Egypt, confirm the grim picture of terrorism and persecution.

agencies, and bureaus of the vast Federal establishment are upped—most of them a little, and some by large amounts. And when we are dealing with billions, increases of hundreds of thousands or a million dollars are not too striking.

But I submit, gentlemen, that the overall impact is shocking if we look at the items percentagewise. I have been making some comparisons of the spending proposals in this new budget we are con-

sidering with actual expenditure authorizations in fiscal 1955.

The percentage increases gave me a jolt. I think they will startle you, too. For that reason I am submitting some tables that should prove helpful to all of us in cutting these appropriations.

It is not too much to ask that we not only refuse to increase 1958 appropriations over last year but also cut them back to the actual expenditures in 1955.

Public Health Service, funds for research

	1956 enacted	1957 estimated	1958 estimated
General.....	\$5,248,363	\$9,477,000	\$10,966,000
National Cancer.....	22,898,042	36,433,000	38,618,000
Mental Health.....	16,775,791	30,115,000	32,873,000
National Heart.....	18,085,062	30,163,000	31,991,000
Arthritis.....	10,534,790	15,474,000	17,384,000
Allergy.....	6,246,946	13,049,000	15,661,000
Neurology.....	9,442,365	17,248,000	18,315,000
Dental health.....	1,303,057	4,635,000	5,009,000
Total (all fields).....	90,534,416	156,594,000	170,817,000
Grants for research:			
General.....	4,999,945	7,979,000	9,468,000
Cancer Institute.....	9,282,965	18,559,000	20,175,000
Mental Health.....	3,936,952	8,572,000	10,902,000
National Heart.....	8,532,500	16,895,000	18,364,000
Dental Health.....	418,913	2,600,000	2,825,000
Arthritis, etc.....	4,809,973	8,140,000	9,537,000
Allergy, etc.....	2,566,997	8,212,000	10,824,000
Neurology, etc.....	4,344,504	9,130,000	9,750,000
Research fellowships:			
General.....	248,418	998,000	1,498,000
Cancer.....	849,127	1,000,000	1,000,000
Mental health.....	299,997	647,000	647,000
Heart.....	868,415	1,335,000	1,335,000
Dental health.....	99,966	500,000	500,000
Arthritis.....	145,392	300,000	300,000
Allergy.....	116,827	117,000	117,000
Neurology.....	149,960	500,000	500,000
Total.....	2,779,102	5,397,000	5,897,000
Training grants:			
General research.....		500,000	500,000
Cancer.....	2,732,628	4,675,000	4,675,000
Mental health.....	5,884,127	12,000,000	12,000,000
National heart.....	3,140,206	4,400,000	4,400,000
Dental.....		500,000	500,000
Arthritis.....	954,318	1,850,000	1,850,000
Allergy.....		650,000	650,000
Neurology.....	1,631,662	3,750,000	3,750,000
Total.....	14,343,041	27,675,000	28,325,000
Grants for detection, etc.:			
Cancer.....	2,217,825	2,250,000	2,250,000
Mental Health.....	2,980,547	4,000,000	4,000,000
National Heart.....	1,088,061	2,125,000	2,125,000
Total.....	6,286,433	8,375,000	8,375,000
Cancer grants field investigations.....	1,299,280	1,900,000	1,900,000
Direct research:			
Cancer.....	6,515,417	8,049,000	8,793,000
Mental Health.....	3,674,068	4,896,000	5,324,000
National Health.....	4,455,880	5,408,000	5,767,000
Dental health.....	784,178	1,035,000	1,184,000
Arthritis.....	4,624,107	5,184,000	5,697,000
Allergy.....	3,873,142	4,720,000	5,342,000
Neurology.....	3,316,239	3,868,000	4,315,000
Total.....	27,243,031	33,160,000	36,422,000

Remedy for the Corn Situation

EXTENSION OF REMARKS OF

HON. ROBERT D. HARRISON

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. HARRISON of Nebraska. Mr. Speaker, on March 11, 1957, the gentleman from Ohio [Mr. POLK] and I joined in transmitting to Members of the House of Representatives a statement of reasons why our companion bills, H. R. 4555 and H. R. 4589, should be passed. The bills were designed to permit corn farm-

ers to use either 1 of the 2 options on which they voted last December to bring supply into balance with demand. The letter of transmittal and the statement follow:

CONGRESS OF THE UNITED STATES,

HOUSE OF REPRESENTATIVES,

Washington, D. C., March 11, 1957.

DEAR CONGRESSMAN: Attached is a brief statement on the corn situation. It urges you to support this Tuesday, March 12, a bipartisan compromise introduced by Mr. HARRISON, Republican, of Nebraska, and Mr. POLK, Democrat, of Ohio (H. R. 4555 and H. R. 4589).

It permits corn farmers to use either of the two options voted on last December to help adjust corn production.

It does not increase costs over the options offered corn farmers by the 1956 act.

It provides a 1957 minimum national base acreage for corn similar to the minimums now in effect for cotton, wheat, rice, peanuts, and some types of tobacco.

It can be put into effect with a minimum of administrative difficulty since it uses the same notices to farmers that were used last December in the referendum.

It is only for 1 year—1957.

It will substantially increase participation in adjustment programs to reduce corn production.

It will help stabilize livestock, dairy, and poultry product prices.

Sincerely yours,

ROBERT D. HARRISON.
JAMES G. POLK.

H. R. 4555 by Mr. HARRISON, Republican, Nebraska, and H. R. 4589, by Mr. POLK, Democrat, Ohio, companion bills, should be passed.

1. They permit corn farmers to use either 1 of the 2 options on which they voted last December to bring supply into balance with demand. This gives the farmers the option of (1) staying within the 37.3 million corn allotment with price support of at least \$1.36 per bushel or (2) staying within the 51 million acre soil bank base with price support of \$1.31 per bushel with the requirement that an acreage of cropland equal to 15 percent of the base be put into the soil bank. This soil bank acreage cannot be harvested or grazed. This is exactly what the corn farmers were offered in the December 1956 corn referendum for the 1957 program. Sixty-one and five-tenths percent said they preferred the 51-million-acre-soil-bank base with lower supports; 38.5 percent said they preferred the 37-million-acre-corn allotments with higher supports. The law required a 66⅔ majority vote to put the soil bank base approach into effect. Since only 61.5 percent favored this, the present law forces the program back to the old discredited allotment program favored by the minority (38.5 percent). The effect is to allow the minority to deprive the majority of the kind of a program they prefer. The program favored by the majority will get more adjustment for the money spent. A combination of the old and new approach, which these bills provide, authorizes a program to obtain more participation in adjusting corn production in 1957.

2. They do not increase the cost in 1957 of the price-support and soil-bank programs over the options which were offered to corn farmers by the Agricultural Act of 1956.

3. This is not special privilege for corn in relation to other basic commodities since cotton, wheat, rice, peanuts, and some types of tobacco have minimum allotments. Corn does not have a minimum. These minimums permit payments to farmers for price-support and soil-bank participation which otherwise would not be made. Wheat farmers this year would be cut from 55 million acres to 12.4 million acres except for the minimum national allotment. Likewise cotton would be cut from 17.6 to 3.9 million acres this year. It is unreasonable for the law to deny corn a similar minimum and require an acreage cut from 56 million to 37 million in 1 year. In the past, acreage taken out of basic crops has been devoted to the production of feed grains which has substantially contributed to the lower acreage allotment for corn which is holding down on corn participation in the production-adjustment programs. This will help correct the situation without giving special privileges to corn farmers.

4. Farmers have their allotment notices under these programs so that administrative actions to put the programs into effect would be the very smallest possible. This would be the quickest way to put a workable program into effect.

5. They are for 1 year only.

6. This legislation would result in a substantial reduction in corn production in 1957. This will help stabilize livestock, dairy, and poultry product prices.

7. This will help solve the corn problem this year and as soon as the legislation passes we can get to work this year on the bigger problem of balancing feed supplies of all kinds with demands. This latter problem is too big to attempt to solve before corn-planting time. It involves not only corn, grain sorghums, oats, barley, and rye, but also hay, protein feed, byproduct feed, synthetic feed, and pasture. Likewise it involves the whole theory and application of the price-support and adjustment programs for the so-called basic commodities.

8. It permits both the majority and minority of the corn farmers to have the kind of programs they believe are most desirable.

9. Attached is a list of how each State voted in the referendum.

State	Percent favoring soil-bank program	Percent favoring acreage allotment program
Alabama	83.6	16.4
Arkansas	59.6	40.4
Delaware	88.4	11.6
Georgia	85.9	14.1
Illinois	80.8	19.2
Indiana	74.6	25.4
Iowa	59.5	40.5
Kansas	51.7	48.3
Kentucky	87.2	12.8
Maryland	67.2	32.8
Michigan	75.0	25.0
Minnesota	23.6	76.4
Missouri	47.8	52.2
Nebraska	50.0	50.0
New Jersey	80.7	19.3
North Carolina	78.8	21.2
North Dakota	28.5	71.5
Ohio	71.3	28.7
Pennsylvania	73.9	26.1
South Dakota	27.0	73.0
Tennessee	86.9	13.1
Virginia	50.9	49.1
West Virginia	94.6	5.4
Wisconsin	55.0	45.0
Total	61.5	38.5

Federal Budget Questionnaire

EXTENSION OF REMARKS OF

HON. JOHN E. HENDERSON

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 21, 1957

Mr. HENDERSON. Mr. Speaker, once again I have found it helpful to contact the people of the 15th District of Ohio, with regard to vital issues which are before the Congress. Through the medium of a questionnaire I am asking my constituents to give me the benefit of their thinking on several issues. Their responses will be helpful to me and my colleagues in guiding us to a decision on these important subjects.

The current budget is a subject which has received widespread publicity throughout the Nation. Many of my constituents are becoming more aware of the magnitude of our expensive Government. As an added feature of my questionnaire I have included a breakdown of the current budget and have asked that my constituents express themselves on any part of it, whether they feel that the individual items be retained, reduced, or eliminated.

The questionnaire is as follows:

FEDERAL BUDGET QUESTIONNAIRE

Much dissatisfaction with high Federal expenditures has been expressed since the budget recommendations for fiscal year

1958 (July 1, 1957-June 30, 1958) were presented to Congress in January. On this page is a brief outline of approximate expenditures recommended. If you care to comment, please indicate your feeling about these programs.

	Yes	Reduce	Eliminate
I. Major national security items (\$43,335,000,000—60.3 percent):			
Purchase of aircraft, ships, guided missiles, and other military equipment (\$12,273,000,000)			
Pay and support of military personnel (\$10,524,000,000)			
Operation and maintenance of military equipment and facilities (\$9,598,000,000)			
Military public works, research, reserves (\$5,605,000,000)			
Military assistance to foreign nations (\$2,600,000,000)			
Atomic energy programs (\$2,340,000,000)			
Stockpiling of minerals and defense production (\$395,000,000)			
II. International affairs and finance items (\$2,444,000,000—3.4 percent):			
Foreign aid (economic and technical development) (\$1,833,000,000)			
Export-Import Bank loans to assist United States industries in foreign markets (\$243,000,000)			
Conduct of foreign affairs (\$194,000,000)			
Foreign information and exchange activities (\$174,000,000)			
III. Commerce and housing (\$1,748,000,000—2.4 percent):			
Aviation (\$465,000,000)			
Housing and community development (\$438,000,000)			
Water transportation (\$420,000,000)			
Civil defense and disaster aids (\$168,000,000)			
Postal Service (\$58,000,000)			
Highways (\$42,000,000)			
General aids to business and other (\$157,000,000)			
IV. Agriculture and agricultural resources (\$4,965,000,000—6.9 percent):			
Farm price supports and related programs (\$2,490,000,000)			
Soil bank (\$1,293,000,000)			
Agricultural land and water resources (\$366,000,000)			
Farm ownership and operation loans (\$271,000,000)			
Rural electrification and rural telephone loans (\$265,000,000)			
Research and other agricultural services (\$280,000,000)			
V. Natural resources (\$1,538,000,000—2.1 percent):			
River basin development and public power (\$992,000,000)			
Forests, public lands, and Indian lands (\$263,000,000)			
National parks and fish and wildlife (\$137,000,000)			
Minerals (\$99,000,000)			
General resource surveys and other (\$47,000,000)			
VI. Labor and welfare (\$3,538,000,000—4.9 percent):			
Public assistance (payments to States to aid needy persons) (\$1,684,000,000)			
Promotion of public health (\$606,000,000)			
Promotion of education (\$534,000,000)			
Labor and manpower services (\$400,000,000)			
General purpose research, libraries and museums (\$111,000,000)			
School-lunch program, vocational rehabilitation and others (\$203,000,000)			
VII. Veterans services and benefits (\$5,027,000,000—7 percent):			
Compensation and pensions (\$3,103,000,000)			
Hospitals and medical care (\$836,000,000)			
Education and training (\$757,000,000)			
Veterans unemployment and loan guarantee benefits (\$110,000,000)			
Insurance and indemnities (\$42,000,000)			
Other services and administrative costs (\$179,000,000)			
VIII. General government (\$1,451,000,000—2 percent):			
Financial management (\$519,000,000)			
Property and records management (\$307,000,000)			
FBI, alien control and related programs (\$196,000,000)			
Legislative and judicial functions (\$152,000,000)			
Central personnel costs (\$104,000,000)			
District of Columbia, U. S. Territories (\$103,000,000)			
Weather Bureau and other (\$70,000,000)			
XI. Interest on our national debt (\$7,360,000,000—10.2 percent)			
This figure represents a fixed debt and is not subject to change except through the retirement of the principal.			

The Nasser Problem

EXTENSION OF REMARKS

OF

HON. JACOB K. JAVITS

OF NEW YORK

IN THE SENATE OF THE UNITED STATES

Thursday, March 21, 1957

Mr. JAVITS. Mr. President, I am looking very carefully into the economic cost in money and into other possibilities of bypassing the Suez Canal, which I think is the only way, by peaceful means, to bring Colonel Nasser to some terms with the free world and its necessities.

In aid of that effort, I had intended to ask unanimous consent to have printed in the Appendix of the RECORD an article entitled "Today and Tomorrow—the Nasser Problem," written by Walter Lippmann, but I am informed that the distinguished majority leader, the Sen-

ator from Texas [Mr. JOHNSON] has already presented it for the RECORD.

I do ask unanimous consent that an address I delivered last night to the National Council of Jewish Women here in Washington be printed in the Appendix of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR JACOB K. JAVITS, OF NEW YORK, DELIVERED BEFORE THE NATIONAL COUNCIL OF JEWISH WOMEN, SHOREHAM HOTEL, WASHINGTON, D. C. MARCH 20, 1957

The time for a showdown with Colonel Nasser in the Middle East is now. The war of nerves with him is on, and the prestige of the United States and the United Nations is on the line.

In his letter to Prime Minister Ben-Gurion President Eisenhower assured him that "Israel will have no cause to regret" its withdrawal of troops. Now that Israel has withdrawn, I am deeply convinced that she has the full support of the American people on the moral justification of her position.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued March 26, 1957
For actions of March 25, 1957
85th-1st, No. 51

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HIGHLIGHTS: (See page 7.)

HOUSE

1. INSECT CONTROL. The Agriculture Committee ordered reported with amendment H.R. 3476, to facilitate the regulation, control, and eradication of plant pests. p. D240
2. SOIL BANK. Both Houses received the report of this Department on the conservation reserve program of the soil bank, pursuant to Public Law 540, 84th Congress. pp. 3738, 3836
3. FOOD ADDITIVES. Rep. Burdick urged the appointment of a congressional committee to investigate complaints that poisons are sometimes used in the preparation of foods, drinks, and medicines. p. 3825
4. APPROPRIATIONS. Rep. Ikard criticized the size of the budget and stated that it was the responsibility of Congress to cut it. pp. 3828-30
5. CREDIT POLICIES. Rep. Patman inserted excerpts from recent testimony to support the need for a congressional investigation of national monetary and credit policies. pp. 3831-35

6. MONOPOLIES. Received from the Federal Trade Commission a report, "Industrial Concentration and Product Diversification in the 1,000 Largest Manufacturing Companies, 1950." p. 3836
7. INFORMATION. Both Houses received from HEW a proposed bill to provide for the establishment of a Federal Advisory Council on the Arts; to House Education and Labor Committee and Senate Labor and Public Welfare Committee. pp. 3738, 3836
Passed without amendment H.R. 4813, to extend the life of the District of Columbia Auditorium Commission until the construction of the auditorium has been completed. p. 3786
8. PERSONNEL. Received from the Labor Department a proposed bill to amend the Federal Employees' Compensation Act to provide for judicial review of compensation orders; to Education and Labor Committee. p. 3836
9. ELECTRIFICATION. The Government Operations Committee issued a report pertaining to the availability of power to public preference customers from the Central Valley project (H. Rept. 218). p. 3836
10. HOUSING. Passed with amendments H.R. 4602, to encourage new residential construction for veterans' housing in rural areas and small cities and towns by raising the maximum amount in which direct loans may be made from \$10,000 to \$13,500, to authorize advance financing commitments, and to extend the direct loan program for veterans. pp. 3788-3821
Rejected, 45 to 82, an amendment by Rep. Ayres to permit 5% interest rates on VA direct loans to veterans under the bill. pp. 3815-19
A point of order was sustained against an amendment by Rep. Edmondson to permit the use of not more than 25% of the National Service Life Insurance Fund for purchasing, and making commitments to purchase, loans guaranteed under the bill. pp. 3814-15
11. FOREIGN TRADE. The Banking and Currency Committee reported without amendment H.R. 4136, to extend the period within which the Export-Import Bank may make loans (H. Rept. 221). p. 3836
12. EDUCATION. Rep. St. George spoke in favor of her bill (H.R. 6164) for the establishment of a U. S. Science Academy for the training of scientists and engineers. pp. 3786-87

SENATE

13. CORN. The Agriculture and Forestry Committee ordered reported an original bill providing corn base acreages for 1957, with a 51 million acre base, a 1957 support level for corn outside the commercial area at 82½% of the price in the commercial area without regard to whether support is given to noncompliers in the commercial area, soil bank participation at 15% of the acreage reserve, and a study of feed grains programs to be submitted in 1958. p. D238
Received a Nebr. Legislature resolution pleading with Congress to resolve their differences and offer a corn program to the farmers for 1957, without delay. p. 3743
14. DROUGHT RELIEF. Sen. Johnson spoke in favor of a deferred-grazing bill despite rainfall in Texas, and inserted parts of two letters on the state of range land. pp. 3737-8

Daily Digest

HIGHLIGHTS

Senate passed bill on Anglo-American Financial Agreement and also passed 24 bills on calendar call.

Veterans' direct housing loan bill passed by House.

Senate committees reported Tax Rate Extension Act of 1957 and Flood Control Act of 1957.

Senate

Chamber Action

Routine Proceedings, pages 3737-3758

Bills Introduced: 22 bills were introduced, as follows:
S. 1690-1711. Pages 3744-3745

Bills Reported: Reports were made as follows:
S. 497, Flood Control Act of 1957, with amendments (S. Rept. 168);

S. 161, 248, 438, 771, 1171, 1192, 1203, 1346, H. R. 1757, S. 294, 528, 987, H. R. 1359, S. 251, private bills (S. Repts. 169-182, respectively);

H. R. 4090, to extend the present corporate-income and certain excise-tax rates to April 1, 1958, with amendments (S. Rept. 183);

S. 78, providing for maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland (S. Rept. 184); and

S. 685, to extend the life of the D. C. Auditorium Commission, with amendments (S. Rept. 185). Page 3744

Bills Re-referred: Committee on Banking and Currency was discharged from further consideration of S. 478, to cede to State of New Mexico concurrent jurisdiction with U. S. over certain land, and the bill was then re-referred to Committee on Government Operations.

Committee on the Judiciary was discharged from further consideration of S. 1169, a private bill, and it was re-referred to Committee on Post Office and Civil Service. Page 3748

Call of Calendar: On call of calendar, 24 measures, of which 22 were private, were passed, as follows:

Without amendment and cleared for President:

Alaska land: H. R. 4939, conveyance of certain U. S. property in Juneau to Territory of Alaska.

With amendment, to be sent back to House:

Private bills: 3 private bills, H. R. 1863, 2046, and 3322.

Without amendment and cleared for House:

Private bills: 17 private bills, S. 51, 58, 123, 127, 424, 530, 689, 690, 696, 701, 718, 731, 786, 805, 853, 1098, and 1179.

With amendment and cleared for House:

Crow tribal lands: S. 332, providing for allotment of lands of the Crow Tribe;

Private bills: 2 private bills, S. 1167 and 93; and

Bill indefinitely postponed: S. 1291. Pages 3758-3765

Anglo-American Financial Agreement: Senate took up by unanimous consent and passed without amendment S. J. Res. 72, approving the signature by the Secretary of the Treasury of an agreement amending the Anglo-American Financial Agreement of December 6, 1945. Pages 3765, 3766-3771

Postal Stations at Military Posts: By unanimous consent, Senate took up H. R. 4815, authorizing establishment of postal stations at Armed Forces and defense installations. After debate, the bill was temporarily put aside when Senate proceeded to other legislative business. Pending when the bill was put aside was amendment by Senator Johnston of South Carolina (on behalf of committee), respecting compensation of certain employees of Senate committees. Pages 3771-3778

Newsprint Investigation: By unanimous consent, Senate proceeded to consideration of S. Con. Res. 20, authorizing investigation by FTC of companies in production of newsprint in interstate commerce. This action resulted in the temporary putting aside of H. R. 4815, postal stations at military posts, which had been under consideration immediately prior thereto. Pages 3778-3779

Confirmations: Numerous nominations in the Army and Air Force and one Marine Corps nomination were confirmed. Pages 3758, 3784-3785

Nominations: Senate received nominations of Charles E. Bohlen, of D. C., to be Ambassador to Republic of Philippines, Katherine Brownell Oettinger, of Massa-

chusetts, to be Chief of Children's Bureau, Department of HEW, 1 Navy, and 6 judicial nominations, along with 1 postmaster withdrawal.

Page 3784

Program for Tuesday: Senate adjourned at 4:05 p. m. until noon Tuesday, March 26, when it is the intention to consider S. 497, Flood Control Act of 1957, to be followed on Wednesday by H. R. 4090, extension of present corporate-income and certain excise-tax rates.

Pages 3779, 3784

Committee Meetings

(Committees not listed did not meet)

CORN, COTTON, AND FARM INCOME DATA

Committee on Agriculture and Forestry: Committee, in executive session, ordered favorably reported an original bill providing corn base acreages for 1957. The bill would (1) establish a base acreage of 51 million acres for the 1957 corn crop in lieu of an acreage allotment, (2) raise the 1957 support level for corn outside the commercial area to 82½ percent of the commercial area level for those complying with acreage limitations (from 75), without regard to whether support is made available to noncompliers in the commercial area, (3) require participation in the acreage reserve for corn or the conservation reserve to the extent of an acreage equal to 15 percent of the corn base acreage as a condition of corn price support, and (4) require a study and report on a feed grain program to become effective in 1958.

Committee also ordered favorably reported without amendment S. 405, to require the Bureau of the Census to develop farm income data by economic class of farm, and S. 812, to amend the Agricultural Act of 1949 with respect to price support for extra-long staple cotton.

APPROPRIATIONS—INTERIOR DEPARTMENT

Committee on Appropriations: Continuing its hearings on H. R. 5189, fiscal 1958 appropriations for Interior Department, subcommittee heard testimony in behalf of funds for the National Park Service from Conrad L. Wirth, Director, Eivind T. Scoyen, Associate Director, and Hillory A. Tolson and Jackson E. Price, both Assistant Directors.

Mr. Wirth also spoke in behalf of funds for Jamestown-Williamsburg-Yorktown Celebration Commission and the National Monument Commission, of which commissions he is executive officer.

Hearings continue tomorrow.

HOUSING

Committee on Banking and Currency: Housing Subcommittee continued its hearings on several bills pending on its calendar, with testimony from Lewis Webster Jones, president, Rutgers University, and representing American Council on Education and the American

Association of Land-Grant Colleges and State Universities; Calvert Ellis, president, Juniata College, Pennsylvania, and representing Association of American Colleges; William O. Nichols, American University, and representing Association for Higher Education; John A. Reilly, president, Second National Bank, Washington, D. C., and representing the American Bankers Association; Robert Tharpe, president, Tharpe & Brooks, Inc., Atlanta, and chairman of legislative committee of Mortgage Bankers Association of America, and Samuel E. Neel, general counsel, MBA; and Robert Hoffman, president, National Swimming Pool Institute. A written statement was submitted for Thomas L. Popejoy, president, University of New Mexico, and representing State Universities Association.

Hearings continue tomorrow.

D. C. BILLS AND NOMINATIONS

Committee on the District of Columbia: Committee ordered favorably reported without amendment S. 78, providing for maintenance and operation of the bridge to be constructed over the Potomac River from Jones Point, Va., to Maryland; with amendments S. 685, to extend the life of the D. C. Auditorium Commission; and the nomination of Catherine B. Kelly, of Maryland, to be associate judge of the D. C. municipal court. Committee also considered the nomination of Orman W. Ketcham, of Maryland, to be judge of the D. C. juvenile court, but deferred action thereon until Monday, April 1.

Prior to this action, open hearings were held on the two nominations, with testimony in favor of the nomination of Miss Kelly from Chief Judge Leo A. Rover, D. C. municipal court of appeals, Thomas M. Raysor, president, D. C. Bar Association, and Judge Mary C. Barlow, municipal court for the D. C., and others; and testimony in favor of the nomination of Mr. Ketcham from Milton W. King, an attorney, Philip Schiff, president, D. C. Chapter of American Association of Social Workers, and Robert E. McLaughlin, president, D. C. Board of Commissioners, and others.

TAXES AND NOMINATIONS

Committee on Finance: Committee, in executive session, ordered favorably reported to the Senate H. R. 4090, to extend the present corporate normal-tax rate and certain excise-tax rates, amended so as to extend such rates for 15 months in lieu of the 1-year extension proposed in House-passed bill. In view of the critical time element involved, the chairman announced that all other amendments were laid aside for further study and consideration in connection with some other pertinent House-passed measure.

The committee also approved the nominations of Dr. John Alanson Perkins, of Delaware, to be Under Secretary, and Edward Foss Wilson, of Illinois, to be Assistant Secretary, both of the Department of Health, Education, and Welfare.

Digest of CONGRESSIONAL PROCEEDINGS

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OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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HIGHLIGHTS: Senate committee reported poultry inspection bill. Senate passed omnibus public works bill. House debated Labor-HEW appropriation bill. House Rules Committee cleared military land withdrawals bill. Rep. Schwengel criticized delay in action on corn bill. Sens. Douglas and Curtis introduced and Sen. Douglas discussed bill to provide alcohol butadiene research program. Sen. Aiken introduced and discussed bill to authorize dairy cooperatives to bargain with purchasers singly or in groups. Rep. Coad proposed and discussed measure to investigate manner in which CCC sells certain commodities.

HOUSE

- APPROPRIATIONS. Continued debate on H.R. 6287, the Labor-HEW appropriation bill for 1958 (pp. 4137-67, 4169, A2535). Agreed, 83 to 82, to an amendment by Rep. Jonas to reduce the funds for the Food and Drug Administration from \$9,300,000 to \$7,973,000 (pp. 4156-67).
Rep. Rhodes spoke in favor of legislation to require the President to submit in his budget a figure to ^{be} used to pay on the public debt. pp. 4174-75
Rep. Fascell urged that the budget be cut, and inserted a letter and newspaper article on the subject. pp. 4193-97
- FORESTRY. The Rules Committee reported a resolution for consideration of H.R. 5538, to provide that withdrawals, reservations, or restrictions of more than 5,000 acres of public lands of the U. S. shall not become effective until approved by Congress (H. Rept. 287). pp. 4168, 4198
- FARM PROGRAM. Rep. Schwengel criticized the delay in passage of corn legislation and stated that he had decided to state the "facts about this controversy as I see them." pp. 4169-70
- DISASTER RELIEF. Both Houses received from the President a report on the administration of Federal disaster relief as required under Public Law 875, 81st Congress (H. Doc. 142). pp. 4053, 4136

5. TAXATION. Concurred in the Senate amendments to H.R. 4090, to extend the present corporate income and certain excise tax rates for 15 months. This bill is now ready for the President. pp. 4136-7
6. FOREIGN TRADE. The Rules Committee reported a resolution for consideration of H.R. 4136, to extend the period within which the Export-Import Bank of Washington may make loans (H. Rept. 286). pp. 4167-68
7. FOREIGN AID. Rep. Meader inserted his Reader's Digest article, "Our Foreign-Aid Program - A Bureaucratic Nightmare," and copies of a number of letters he had received concerning the article. pp. 4182-90

SENATE

8. FOOD SUPPLY. Received a proposed bill from the President of the Board of Commissioners, District of Columbia, to amend the District of Columbia Public School Food Services Act; to the District of Columbia Committee. pp. 4053-4
9. TRANSPORTATION. Received a N. D. Legislature resolution opposing passage of the bill to repeal the long-and-short-haul clause of the Interstate Commerce Act, in the interests of preventing lower rates for long hauls than for short ones. p. 4054
10. FARM PROGRAM. Sen. Humphrey inserted a resolution from Co-op Services, Inc., New York Mills, Minn., favoring a production payment system to assure 100% of parity returns to family farmers, and stating "farmers and business . . . are greatly disturbed by the Secretary of Agriculture's present policies." p. 4056
11. POULTRY. The Agriculture and Forestry Committee reported S. 1747, an original bill to provide for the compulsory inspection by this Department of poultry and poultry products (S. Rept. 195). p. 4056
12. PUBLIC WORKS. Passed with amendments, S. 497, the Rivers and Harbors and Flood Control Acts of 1957, by a 42-to-22 vote (p. 4133). Adopted Committee amendments en bloc (pp. 4070-1).

Agreed to the following amendment: by Sen. Barrett, to insure that conservation water storage space be used in accord with state law (pp. 4124-5).

Rejected the following amendments: by Sen. Douglas to authorize the President to postpone 25% of the projects least essential (pp. 4072-98), including comments by Sen. Neuberger on the comparative soil bank payments to Nebr., Ill., and Ore. (p. 4083); by Sen. Hruska, to recommit the bill with instructions, 27-55 (pp. 4101-12); by Sen. Neuberger to delete the Bruce Eddy Dam in Ida. (pp. 4112-19); by Sen. Watkins to strike out a section dealing with State water rights (pp. 4119-24); by Sen. Case to increase payments to landowners for land acquired for reservoir purposes (pp. 4126-9); and by Sen. Watkins to provide that State and local governments assume 50% or more of the construction and operation costs (pp. 4129-32).
13. LEGISLATIVE PROGRAM. Sen. Johnson announced that consideration of the following bills, among others, would begin on Mar. 29; S. 1585, to provide for a joint committee on the budget; S. 685 and H.R. 4813, to extend the life of the D. C. Auditorium Commission; S. 1034, to authorize the transfer of the Midwest Claypan Research station to the U. of Mo.; S. 812, to freeze price supports for extra long staple cotton at 75% of parity; S. 1314, to extend

the Chicago market, which comes from the Commodity Credit Corporation stocks grades No. 1, No. 2, and No. 3. This certainly cannot be presumed to be corn which is in the immediate danger of spoilage or deterioration. These are the highest grades by which we are able to grade corn. It is the best corn that we have available on any market, and it takes a great stretch of the imagination to attempt to say that this is corn in immediate danger of spoilage.

Now as I said in the beginning, it was my thought to introduce a bill to amend the Agricultural Act of 1949, to require the Commodity Credit Corporation to replenish its stocks of commodities sold because of deterioration and spoilage. My plan would have permitted the Government to continue to sell its commodities in danger of going out of condition, but also would not have affected the market price, because an equal amount would have been withdrawn from the market.

However, today, upon a more complete investigation, I find that in title 7, section 1427, of the United States Code Annotated, that:

Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the small quantities involved, or because of age, location, or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price-support program, but in no event shall the purchase price exceed the then current support price for such commodities. (7 U. S. C. A., sec. 1427, as amended.)

Thus I find that my plan is already a matter of law.

Therefore, Mr. Speaker, I feel that the Banking and Currency Committee, the committee which originally wrote the charter for the Commodity Credit Corporation, should make a thorough and complete investigation of the procedures of the Commodity Credit Corporation, to determine whether or not the CCC, in the sales of commodities, as outlined above, has been in violation of the law. I am today introducing a resolution which, if adopted, will give authority to the Banking and Currency Committee to make this investigation and study.

CUTTING THE BUDGET

(Mr. ABBITT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ABBITT. Mr. Speaker, I was pleased to hear the gentleman from Rhode Island [Mr. FOGARTY], chairman of the subcommittee handling the appropriation bill for the Departments of Labor, and Health, Education, and Welfare, and related agencies, now before the House, say on Tuesday and yesterday and again today that we will have rollcalls on the amendments adopted to the bill which reduce the appropriation as approved by the Appropriations Committee. As one who has consistently tried to vote for economy ever since I have been a Member of this body, I am

not only willing to go on record on each amendment adopted but wish the rules of the House would permit a rollcall on the amendments that are defeated.

We have heard a lot of talk by many Members contending that they are for economy. I trust that we are not merely giving lipservice to the effort to achieve real economy in the Federal Government. I feel that without exception every department and agency can take a reasonable cut without in any way impairing the necessary and needed function of the particular agency provided there is a real and actual effort made by the individual departments and agencies to effect economy and efficiency.

A number of us have been on the floor of the House during the entire time this bill has been under consideration. I say here and now to the Members of this body who desire to reduce the appropriations contained in this bill that the only way a reduction can be achieved is for you to stay here during the entire time the bill is under consideration. If you do not stay and we fail to carry an amendment, there is no way that under the present rules of the House to have a rollcall vote on the amendments that are not adopted.

We were successful Tuesday and Wednesday in passing every amendment that was offered to reduce the amount appropriated in the bill but one. The alarming fact, however, is that when the votes were taken yesterday the largest number of Members on the floor at any one time was around 230. I desire to remind the membership and to put them on notice that it is necessary, if we are to achieve any success in cutting this bill, that they be on the floor of this House at all times when this measure is under consideration.

I want to say to the chairman of the subcommittee that he has been most patient and cooperative in handling the bill on the floor of this House but I also want to say that a number of us welcome the opportunity of rollcalls on the amendments adopted which reduced the appropriations in the bill. I am convinced that these amendments will be a step in the right direction in trying to make the departments involved operate in an efficient manner so that the taxpayers of this country might have some relief in the years that lie ahead. Unless somewhere along the line we call a halt on all of the new programs and extensions of the present ones we will soon have the Federal Government taking over all the functions of the States, localities as well as the people.

Mr. Speaker, I think now is the time to face this issue head-on. That I am glad to do and I hope that there are sufficient Members of this House that will join me so we can stop the octopus-like growth of the Federal Government.

THE RECORD OF INACTION OF FARM LEGISLATION

(Mr. SCHWENGEL asked and was given permission to address the House for 1 minute.)

Mr. SCHWENGEL. Mr. Speaker, it has been several days now since the

House debated and acted upon a bill that would have been of great benefit to the corn farmers of the Midwest. Since that time I have had the opportunity to hear from a number of farm leaders and distinguished citizens of my district and from the general tone of their letters it is quite evident that there is much misunderstanding about what happened to the farm legislation. Almost unanimously these people were disappointed and discouraged because they saw in several of the proposals some real answers to the problems of surpluses that plague the farm economy that now, because of what seems to them is pure politics, they will have to wait at least another year for the consideration of some commonsense solution. For that reason, Mr. Speaker, I have decided to place in the RECORD the facts about this controversy as I see them. A famous Democrat once said, "Let us look at the record." So I propose to point to the RECORD.

The RECORD shows that 156 Democrats joined with 61 city Republicans to defeat a corn measure that would help farmers in 1957 balance supply with demand. The Democratic forces against the corn bill were led by the chairman of the Agriculture Committee, Mr. COOLEY, Democrat, of North Carolina, and the ranking member of this committee, Mr. POAGE, Democrat, of Texas. This performance of this leadership of the House Agriculture Committee against corn legislation this year is most interesting when it is realized that the same program they offered farmers and were most responsible for in 1956 has been in effect withdrawn by the same Democratic leadership of the House this year.

This Indian giving is hard to understand. The bill that was before the House which the chairman and the ranking member of the Agriculture Committee supported in 1956 and opposed in 1957 did not increase the cost in 1957 of the price support and soil-bank programs over the options which were offered to corn farmers by the Agricultural Act of 1956. Why did the Democratic leadership of the great Agriculture Committee refuse to help the corn farmers is the paramount question in the minds of the Midwest farmer.

Time and time again, the chairman of the Agriculture Committee and other Democrats referred to the fact that \$179 million of soil-bank payments were made in 1956 to corn farmers to reduce production but corn production in 1956 exceeded 1955 by 220 million bushels.

On the opening day of the debate, the chairman of the committee said:

Let us consider what happened last year. Last year Mr. Benson administered the corn program and he gave away \$179 million in soil-bank payments to the commercial corn producers of the Nation. Instead of reducing production we had perhaps the greatest production of feed grains in the history of the Nation. (P. 2825 of the CONGRESSIONAL RECORD.)

Mr. ABERNETHY, Democrat, of Mississippi, and member of the committee, the next day said:

Now we find ourselves with a doubly aggravated situation, even though the Secretary expended \$179 million of soil-bank

money in an effort to head it off. The situation is his own handiwork. Undoubtedly his eye was on the November elections when he upped corn supports last year.

It was obvious from the debate that the amount of money going into the corn area in an election year was particularly disturbing to the chairman and the other members of this party. Yet it was the chairman and the members of his party who forced a soil-bank payment program to be put into effect in 1956 after corn-planting time when he and everyone else must have known that such a program would not contribute to an orderly reduction in production.

The record indicates that after the Congress loaded up the Agricultural Act of 1956 with many obnoxious, costly measures, it was vetoed by the President and that the veto was sustained by most farmers in the Midwest. By that time most authorities believed it was too late to have an effective soil-bank program for 1956. Yet, when the final Soil Bank Act was passed in 1956 the chairman of the Agriculture Committee and the political leaders of his party forced through a payment program for that year against the advice of many authorities on the subject, including the Farm Bureau leaders. It was the Democratic chairman of the Agriculture Committee who had the following to say in urging an amendment to the Agricultural Act of 1956, when it was being considered by the House in 1956:

It might appear that this is a very slight change but it occurs to me that this is a very important change. I believe that we are now actually faced with this situation: Are we going to have a soil-bank program in 1956 or not? I did want to offer this amendment to make it perfectly clear that the House wanted the Secretary to put it into operation in 1956. My amendment is perfectly harmless but it will make it clear that we want him to do it if he can and if he does we want the farmers to receive their payments in 1956.

The ranking member of the Agriculture Committee went on to say:

The Cooley amendment relates to section (b) on page 11 and specifically says in positive words that the Secretary shall make payment in 1956 for compliance with the soil-bank provisions this year, and that this payment shall be made as soon as compliance is determined. Compliance is ordinarily determined along in July and August.

He further explained that the way the law was drafted the farmer had to carry out the program before payments could be made.

Mr. EDMONDSON, Democrat, from Oklahoma, raised the following question:

Can you not boil down the difference between the Hope amendment and the Cooley amendment, considering the provisions of this bill as a whole, to this simple fact? If you are for an effective and operating soil bank that will put 100 percent payments into the pockets of the farmers in 1956 you will be for the Cooley amendment and against the Hope substitute.

Mr. POAGE. Exactly.

The Democrats in 1956, who then, it seemed to many, were seeking political advantage, were extremely anxious to get money paid out in 1956. Now in 1957 they use the payments that were made by the Secretary, which he was forced to do

by law, and which they put into the law as an excuse for withdrawing from the corn farmers an opportunity to have an effective corn program in 1957. The unfairness of this situation is much greater than most people in the Corn Belt can appreciate at this time, but it will become clearer to them as the surplus continues to pile up in all of the price-supported crops. It was the chairman of the Agriculture Committee and Democrats from the South who refused year after year to pass legislation calling for a sound program which would have avoided the feed-grain surplus which is helping to undermine corn and livestock economy of the country. The Representatives from the areas where the basic crops of wheat, cotton, rice, and tobacco have almost without exception received what they asked for in the way of price supports and legislation that affected their economy. It is hard for the corn farmer to understand why he is singled out in this manner, so to speak, by inaction—his problems, through inaction, are being ignored by Members of this Congress.

For 2 years in succession now, his problems have been relegated to second or third place, and for 2 years the Representatives from the Midwest, the greatest food-producing area in the world, have had their basic problem postponed until it was too late.

As evidence of this, I cite the following record:

It is a fact that the corn legislation came after the legislation dealing with the drought area and all of us joined in that move because we all, of course, recognized it as an emergency. Then, finally after several weeks, the House of Representatives got to the corn bill and on March 13, 1957, by record vote of 188 yeas to 217 nays, defeated a simple bill designed to permit corn farmers to participate in the kind of program they prefer. This preference, Mr. Speaker, was supported by 61.5 percent of approximately 440,000 farmers voting in the referendum, and in my district, the percent was 65.6 percent. The record shows that most of the majority Members insisted that the acreage reserve program of the soil bank must also be opened up to grain sorghums, barley, rye, oats, soybeans, flax seed and non-commercial area corn, and the House refused to pass any of those proposals. The reason, I think, was quite obvious—it would have cost the taxpayers, by conservative figures, at least \$1 billion more than the proposal that was offered by a very large percent of the Representatives from the commercial corn areas, with no real assurance of bringing relief.

One of the tragedies of this experience in Congress is the fact that for the first time almost in all the history of our Congress since we have had a farm block, it was divided. Mr. Speaker, with the farmers today producing all the foods and fibers and representing only at most, 14 percent of the total population—14 makes this situation tragic.

This experience, Mr. Speaker, in my opinion, points up more vividly than ever the great challenge and need for taking the farm problem completely out of par-

tisan politics. While I recognize, and all who have ever had anything to do with the farm question recognize the farm problem as one of the most complex and difficult of all our domestic problems, I sincerely feel that the gravity of this situation makes it necessary for us to call upon the best talent available in Congress and out of Congress, Democrats and Republicans, farmers, farm organizations, producers, and consumers, to sit down and work out some kind of a program for the best interest of the farm economy. Ample food, good food from good land use affords high quality food and therefore better health for all our people. Conservation of our natural resources and the conservation of our soil for the production of foods and fibers is the most important business in the preservation and prosperity of the American people and the preservation of the American philosophy.

(Mr. FOGARTY asked and was given permission to extend his remarks at this point and to include extraneous matter.)

[Mr. FOGARTY'S remarks will appear hereafter in the Appendix.]

(Mr. FOGARTY asked and was given permission to revise and extend his remarks at this point and to include extraneous matter.)

[Mr. FOGARTY'S remarks will appear hereafter in the Appendix.]

FREE IMPORTATION OF GIFTS FROM MEMBERS OF THE ARMED FORCES

Mr. COOPER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6304) to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes.

The bill was reported favorably by the Committee on Ways and Means.

The Clerk read the title of the bill. Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand there is a \$50 limitation?

Mr. McCORMACK. The gentleman is correct; that is the same as we have done before.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That the act of December 5, 1942, entitled "An act to accord free entry to bona fide gifts from members of the Armed Forces of the United States on duty abroad," as amended (U. S. C., title 50 App., secs. 846 and 847), is amended to read as follows: "That under such regulations as the Secretary of the Treasury shall prescribe so much of any shipment as does not exceed \$50 in value, with such further limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe, shall be admitted into the United

13. CORN. Sen. Humphrey criticized this Department for delay in reporting on the corn bill, and asserted "They made their mess in a political year. Now they are trying to place the blame on someone else in a non-political year," on the corn program adopted last year. pp. 4293-4
14. COLUMBIA RIVER. Received a Wash. Senate resolution urging improvements to the Columbia River channel. p. 4232
15. WATER RIGHTS. Received a Utah Legislature resolution favoring the bill to provide for the future acquisition of water rights in line with State laws. p. 4233
16. CONSERVATION. Received a Utah Legislature resolution urging conservation of land and water resources on a comprehensive basis by a reduced number of Federal agencies to coordinate such programs. p. 4233
17. FLOOD CONTROL. Sen. Anderson inserted a N. Mex. Legislature resolution urging construction of a flood control dam on the Gila River, N. Mex. pp. 4234-5
Sen. Carlson inserted a Kansas Senate resolution requesting prompt consideration of the Optima dam and reservoir for flood control, in Okla. p. 4235
18. POSTAL RATES. Sen. Dirksen urged the loss of \$1.5 million daily as a prime reason for an increase in postal revenues, and urged prompt action on postal rate increases. Sen. Johnston stated "that money is paid out of another pocket. When it is put on the basis of an increasing expense, the money is merely paid by the people in a different manner." p. 4239
19. ASSISTANT SECRETARY. Sen. Mansfield discussed the problems of the Assistant Secretary of State for Congressional Affairs, and inserted an article, "Toughest Job in the State Department." Sens. Knowland and Dirksen also spoke in appreciation of his work. pp. 4239-40
20. RESEARCH; PERSONNEL. Sen. Wiley spoke on the necessity for raising the pay of scientists and engineers in the Government, and inserted a column by Jerry Kluttz on the proposed plan to permit the Civil Service Commission to set salaries for scientists and engineers at a level competitive with private firms. p. 4241
21. PROPERTY. Discussed S. 1034, to authorize this Department to convey the Midwest Claypan Research Station to the U. of Mo.. Sen. Morse criticized the bill as "another dangerous example of government by special favor," and urged that the property be sold instead of given away. He stated the Department's report on the agreement with the U. of Mo. was "false." Sen. Ellender inserted Under Secretary Morse's report of Jan. 24 (pp. 4241-4). Sen. Morse contended that such conveyance should be on the basis of the payment of 50% of the fair market value, and asked Sen. Humphrey if he could "find out why we have not had a true report on this bill." Sen. Humphrey agreed, and remarked "if we are getting from the Department information which is not accurate-- which, I may say, has happened before and could in this instance happen--then it ought very well to be called to the Senate's attention, and the Department should be reprimanded and be reminded that we do not want such a thing to happen in the future." (p. 4256). pp. 4241, 4254, 4256
22. RECLAMATION. Passed as reported S. J. Res. 39, authorizing a project to increase the supply of water for irrigation in the Pecos River Basin, N. Mex.. pp. 4244-6

Passed as reported S. 42, to construct the San Angelo Federal Reclamation project, as amended. Sen. Williams questioned the need to increase agricultural production, to increase the surplus. Sens. Morse and Anderson pointed to the growing demand for water as the most important concern, especially in drought areas. pp. 4246-9

. Received a Utah Legislature resolution urging further study of the Colorado River storage project. p. 4234

23. AUDITORIUM. Passed as reported H.R. 4813, to extend the life of the D. C. Auditorium Commission under the title of Commission for a National Cultural Center. pp. 4250-1
24. FOOD DISTRIBUTION. Sen. Morse discussed the problem of hungry children in the District of Columbia and urged that relief be made available for them. pp. 4257-9
25. LEGISLATIVE PROGRAM. Sen. Johnson announced the Senate would consider S. 1423, to amend the Civil Aeronautics Act, and S. 1535, to establish a Joint Committee on the Budget, on Mon., Apr. 1, after action on S. 1314, to extend Public Law 480, the Senate's unfinished business. pp. 4241, 4262-3
26. ADJOURNED until Mon., Apr. 1. p. 4295

ITEMS IN APPENDIX

27. FEDERAL AID. Sen. Thurmond inserted an editorial objecting to Federal grants-in-aid to States and local governments. p. A2547
28. WATER RESEARCH. Sen. Johnson inserted an editorial describing notable progress in research into ways and means of conserving our water supplies which has been accomplished by the Southwest Research Institute, San Antonio, Tex.. p. A2549
29. INFORMATION. Rep. Knutson inserted an outline of Minn.'s plan for the development of rural library services under the Library Services Act. pp. A2552-3
30. BUDGET. Rep. MacDonald inserted an editorial setting forth some of the problems which would arise in the reduction of the budget. pp. A2553-4
Rep. Smith, Wis., inserted an article, "How To Cut Spending." pp. A2566-7
31. WHEAT QUOTAS. Rep. Mumma urged early passage of "much-needed" legislation which would exempt poultry and livestock raisers from wheat allotment penalties where the grain is fed to stock on their own farms. pp. A2554-5
32. STOCKPILING. Sen. Williams inserted an editorial, "Wasting Assets--Stockpiling Is Making The United States Weaker, Not Stronger," which states that "the evidence indicates, the strategic value of stockpiling is largely illusory." p. A2557
33. ELECTRIFICATION; RECLAMATION. Rep. Gubser inserted two articles favoring the proposed Trinity River partnership proposal. p. A2574

BILLS INTRODUCED

34. FORESTS; FORESTRY. H.R. 6512, by Rep. Pfoest, to permit the Secretary of Agriculture to prohibit the exportation of national-forest timber; to Agriculture Committee.

stitutional advertisements, all the advertisements by utilities with which I do not agree. I buy the products of the utilities. I have to use electricity. Why should I have to help pay for an advertisement in a newspaper or a magazine that has nothing to do with electricity, telling me about vicious public electric power projects? Millions of users of electricity are having their money used day after day after day for advertising of which they do not approve. This is a business expense item; it goes into the rate structure.

I noticed large aircraft companies running full-page color advertisements in the Saturday Evening Post, showing big airplanes. How many people who read the Saturday Evening Post are going to buy airplanes, particularly B-47's or B-52's? The cost for advertising is charged as a business expense. As a taxpayer, I help pay for that advertisement. I do not want advertisements; I want airplanes for the defense of my country. We are not going to get any more airplanes because of advertisements in Colliers, when it was in publication, or in the Saturday Evening Post at this time.

So long as we are going to talk about how union funds are expended, we on the Democratic side might be interested in learning something about the household advertising methods of large corporations and companies. Sometimes I wonder if we could not make a switch. How nice it would be if we Democrats could have the editorial columns of all the newspapers that the Republicans are able to command and muster almost at will. It must be very reassuring to get editorial space in a newspaper that has a half million or a million circulation. I wonder if that is charged up as part of the cost of advertising?

How about the radio and TV programs? I will say one thing—the people who support the Republicans are more subtle. The people who support us are more clumsy. We see radio and television advertisements that get the message over, day after day and week after week, almost with a tube of toothpaste, or a bar of soap, or a delectable consumer item which everybody wants. They get over the message, "You ought to like Ike. You ought to vote GOP. You want to be on the social list. You want to be on the better lists in the community. Here is the way to do it." They do not act directly; they are subtle. They move in quietly, entertainingly. I commend them. I wish some of the folk trying to help us would do as good a job, but they do not. Our people are more direct.

I think there is one trouble with the Democratic Party and those affiliated with us and who are trying to help us. They do too much in the last 30 or 60 days. I want to say to my good friend from Nebraska the Republicans have their helpers work for them 12 months a year, and 365 days a year, on television advertisements and in newspapers, almost every day and night, by way of advertisements and editorials that are good. By the time persons have had 300 days of immersion in propaganda, which comes upon them like the process

of osmosis, they simply absorb it, and the last 60 days they cannot shake it off; they are caught. Once in a while we Democrats are able to bring the truth home, within the last 60 days, to extract some people from the web that has been spun around them.

Mr. President, I shall go further into this matter some time later. It is now a late hour. I could not help but admire the presentation which was made. I can hardly wait until Monday or Tuesday. This will be an interesting discussion. I have sitting beside me a member of the staff that drafted the report. The staff took the reports which were presented to them. I think we would be better off if we told the American people these reports are obviously inadequate.

If the Senator really wants to find out how much is spent, why does he not get a report on every television program and every newspaper advertisement—taking just two items—and find out how much money is expended for a candidate in any one State? What this country needs is a better system of recording contributions.

Some of the suggestions made are very good. I am not prepared to endorse all of them. I notice this has been a very popular document. I can plainly see why my friends on the other side of the aisle do not want any reprints, because it really carries quite a message. I understand 1,200 copies were printed, and they are practically all gone. The Senator from Nebraska said he was unable to get one. I want to say to him that I have one, which I will share with him.

The report revealed that the Republican Party gets all the money. That is about as new as last year's almanac. Of course, in the last election they got most of the votes for the President, and we got most of the votes for Congress.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at this moment.

There is not anything very new in the report. There is some interesting material.

There were some other observations I had desired to make regarding some of the statistical errors the Senator from Kansas pointed out. I suppose in any document of this size there would be some statistical mistakes. It should be noted exhibits 26 and 27 are the matters presented by the political committees. The exhibits the Senator referred to, on pages 64 and 65, and the other exhibits relating to individuals and what they spent or contributed, and some of the organizations, and what they contributed, are the result of taking the names off the committee lists and writing directly to the individuals, and in that way getting more accurate reports. So the figures do not always jibe. The committee report may show a very small amount of contributions, but when we obtain the names of those who contributed to the committee and write to the individuals, they give us an accurate report. Therefore, we frequently find some difference in the statistical evidence, the difference being that committees are prone not to report fully, and

individuals, when asked, usually report honorably. That is the difference. We are not grade-school children. We know the score in politics. If we do not, we can have a little private talk on the subject. I think everyone knows how inadequately these committees report.

That reminds me of something else. I wish the Secretary of Agriculture would report on the corn bill.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. Not at this time. I wish to "take off" a little on the Secretary of Agriculture. I hold in my hand some press reports relating to the corn legislation before the Committee on Agriculture and Forestry. That bill was reported favorably from the committee on Monday of this week, and we have been waiting ever since Monday for the Secretary of Agriculture to send us the material for which we asked in that report.

I hope the Secretary of Agriculture will furnish us with the material which we asked him to prepare, so that the bill may be considered by the Senate. It was my responsibility to report it, but the material does not come from the Department.

Yet I see that Senators are saying that perhaps we should not have any corn bill because it is too late. The Department of Agriculture has indicated that it may be too late. The Farm Bureau Federation has indicated that it may be too late. When the Secretary of Agriculture drags his feet down the corn row, it does not become any earlier.

Furthermore, I assure the Secretary and others that most of the corn has not yet been planted. If we can act upon the bill we can get a good corn bill.

I also hope the Department will support our bill. If it does not, I wish to read the record. The bill which we reported from the Committee on Agriculture and Forestry is a bill which was endorsed in the House by the Department. I am told that it may take a little different point of view over here. The Department would like to be on both sides—if not of the fence, of the Capitol. In this instance I trust that the Department will stay with its original commitments. I hope the great farm organizations will stay with their commitments.

Before the Committee on Agriculture and Forestry the American Farm Bureau Federation supported a price-support bill on corn, from 75 to 90 percent of parity, with a base acreage of 51 million acres. Yet I have in my possession a telegram indicating that they will not support a bill with the same provisions, now that it has been reported from the Committee on Agriculture and Forestry. I think the American Farm Bureau Federation has some explaining to do to its membership.

Our bill provides for a complete survey of the feed-grain situation. It asks the Secretary of Agriculture to report back to the Senate by June 1, so that we can legislate, and not be caught up in the mess in which we now are.

Last year I predicted what would happen. I predicted that when the Secretary paid off at \$1.50 a bushel for corn in the commercial areas, to those who

complied with the soil bank, and \$1.25 for those who did not comply, we would have excess supplies of corn, a surplus of corn, and that we would aggravate the feed-grain supply situation, producing chaos in the market.

Look at the record. I stood on this floor and begged my colleagues not to adopt that kind of corn program, but I regret to say that that was what the Department of Agriculture supported. That is what came out of the Congress, and the corn-producing States of Indiana, Illinois, Ohio, Iowa, and Minnesota were the beneficiaries, in the main, of that kind of corn-support program.

I have always believed that if we support a commodity with price supports, we should impose restrictions on production. Yet last year the Secretary of Agriculture, for the first time in the history of the country, told corn farmers, "Plant all the corn you want to plant; fertilize it all you want to fertilize it, and you can get \$1.25 a bushel for corn." Now he says we have a big surplus of corn this year. One would have to be no wiser than "Mortimer Snerd" to know that that would happen. We cannot tell people that we are going to give them a guaranteed price of \$1.25 anywhere in the commercial corn area, and tell them to plant unlimited amounts, and that we will pay \$1.50 a bushel if they get in the soil bank, without getting an unlimited production of corn. That is what we got.

The Secretary tries to place the responsibility on someone else. The Farm Bureau Federation, which supported the program, wants to place the responsibility on someone else's shoulders. They want to say that the House of Representatives was responsible. They want to say that the majority party in the Committee on Agriculture and Forestry was responsible. They will not get away with it. They made their mess in a political year. Now they are trying to place the blame on someone else in a nonpolitical year. I ask the Secretary of Agriculture, "If you could pay \$1.50 a bushel for corn in 1956, when your party was up for election, why can you not pay \$1.50 in 1957, when your party is not up for election? If you could pay \$1.25 a bushel for corn in 1956 in the commercial corn area—including the States I mentioned a moment ago, plus some others—where Republican Senators and Representatives were up for election, why can you not pay \$1.25 now?"

It is interesting that the same Secretary says that in the same area, the maximum that can be paid in 1957 is \$1.31, even for those who are in compliance in the corn program; and he gives no guaranteed price for noncompliance corn produced in the commercial area.

I wish the record to be clear. I am waiting for the report from the Department of Agriculture. I hope that report will be forthcoming, and I hope that the minute it reaches us we shall act on the bill. We can act upon it if we can get some help. If the Department of Agriculture will give us 50 percent as much encouragement this year

as it did last year in connection with the corn program, we can pass the bill. Last year the Department had two of its representatives sitting at the desk in the reception room outside this Chamber to call out every doubting Senator, every wondering soul, every Senator who seemed to be unconvinced, to bolster him up in order to pass the corn bill.

They will not have to spend any time on me. There is nothing wrong with my spirit or determination to get good legislation for our American farmers. I am willing to go to bat for them at any time. The Department does not need to waste one moment or one ounce of energy talking to Senator HUMPHREY. The Department representatives can talk to Senators who are not so sure that we ought to pay \$1.31, when last year they were willing to pay \$1.50. I am not even asking for \$1.50. I will settle for less.

Interestingly enough, the Department rejected a bill which provided for compulsory compliance with the soil bank. That was my bill. I said, "If you are to have price support on corn, you should take 15 percent of the corn acreage out of production—not 15 percent of hay land or 15 percent of any other land, but 15 percent of corn acreage. If you have 100 base acres, or 100 allotted acres, take 15 acres out, leaving 85 acres of corn for production, and let the 15 acres stand idle. They should not be planted in feed grain."

That is what we call cross compliance; and the soil-bank program needs cross compliance, if it is to be truly effective.

I now yield to my good friend from Nebraska [Mr. CURTIS], who has been most patient.

Mr. CURTIS. I thank the distinguished Senator from Minnesota.

I wish to make the position of the junior Senator from Nebraska very clear in reference to a reprint of the committee report. If the errors in the report are corrected, and if all the expenditures on both sides are shown, to elect both Democrats and Republicans, I shall be delighted to have it reprinted.

Mr. HUMPHREY. I think that will be reassuring to the Senator from Tennessee [Mr. GORE].

Mr. CURTIS. After the very careful and accurate statement made by the distinguished Senator from Kansas [Mr. SCHOEPPEL] concerning the Gore report, the only reply thereto could be nothing but corn.

Mr. HUMPHREY. I thank the Senator. I only hope that it is worth \$1.50 a bushel. I am a little surprised that the Senator from Nebraska, who was a member of the subcommittee, did not give such an accurate and elaborate reply in his minority views. I gather the Senator had an opportunity to file minority views. I find that the minority views are very short. Apparently the Senator did not find too much wrong with the report, particularly with the statistics, until after the report had aged a little bit. As is true with so many things, apparently, this has improved with age.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CURTIS. Perhaps I could have written a much better minority view. Mr. HUMPHREY. They are excellent. I believe they are adequate.

Mr. CURTIS. As I said a minute ago, the report of the subcommittee was delivered at my office late on Friday afternoon, and I had to meet a deadline the next Tuesday. It happened to be the weekend of the inauguration.

Mr. HUMPHREY. I understand.

Mr. CURTIS. I did not get a chance to analyze or even read the tables appearing at the end of the report until after it was printed.

Mr. HUMPHREY. Is the Senator telling the Senate that he was not given an opportunity to share in the information which was brought to the subcommittee's attention?

Mr. CURTIS. I merely wished to direct attention to the time element.

Mr. HUMPHREY. Does the Senator mean to say that all the information was gathered immediately before the inauguration?

Mr. CURTIS. It came to my attention only on Friday before the inauguration.

Mr. HUMPHREY. The information must have been gathered all through the election. Is that not correct? The subcommittee worked all during the election, did it not?

Mr. CURTIS. Not in gathering the compilations and tables which appear in the report. The staff did that.

Mr. HUMPHREY. Is the Senator saying that none of this material was compiled in the months of October, November, and December?

Mr. CURTIS. I do not know when it was compiled.

Mr. HUMPHREY. What was the Senator doing as a member of the subcommittee?

Mr. CURTIS. I attended the public hearings and interrogated all the witnesses who appeared, and I wrote the minority views.

Mr. HUMPHREY. Did the Senator have a minority staff to assist him?

Mr. CURTIS. I had 1 member of the staff, out of about 30. However, the point I wish to make is that the arrangement of the figures and names was a staff operation. The grouping, whether it happened to be oil companies or the American Bar Association, or any other organization, was not the work of the subcommittee members, but, rather, a staff operation, which we did not have an opportunity to read until the report was printed.

Mr. HUMPHREY. I notice the Senator referred to the American Bar Association. I hope the Senator is not saying that the American Bar Association is interested in political matters.

Mr. CURTIS. Oh, no.

Mr. HUMPHREY. We Democrats want the Record to be absolutely clear. We are proud to have any officer or member of the American Bar Association affiliated with our party and to make contributions to our party and to work for our candidates. In fact, we would like to have some of them to be candidates.

Mr. CURTIS. The complaint of the American Bar Association was that the

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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85th-1st, No. 57

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HIGHLIGHTS: House committee reported marketing facilities loan bill. Rep. Coad urged USDA to increase corn price supports. House debated Labor-HEW appropriation bill. Reps. Cramer and Mathews introduced and Rep. Cramer discussed bill to eliminate green peanuts from marketing quotas. President approved durum wheat bill.

HOUSE

1. MARKETING FACILITIES. The Agriculture Committee reported with amendment H.R. 4504, to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities (H. Rept. 292). p. 4461
2. CORN. Rep. Coad urged higher price supports for corn, and criticized this Department for not replying to the petition he sent to the Secretary calling for 1957 corn price supports at \$1.60 per bushel. pp. 4458-59
3. APPROPRIATIONS. Continued debate on H.R. 6287, the Labor-HEW appropriation bill for 1958 (pp. 4427-57). Rep. Gavin expressed the hope that the USDA appropriation bill will be screened as closely for reductions when it comes before the House as has the Labor-HEW appropriation bill (pp. 4434-35).
4. GOVERNMENT. Rep. Hiestand spoke in favor of legislation to curb the centralization of power in the Federal Government at the expense of the States. p. 4426
5. PERSONNEL; CLAIMS. Received from GSA a proposed bill to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment; to Judiciary Committee. p. 4461

6. SOIL CONSERVATION. Received from the Secretary of the Army a report on Bastrop-Fayette Soil Conservation District, Tex., authorized by the Flood Control Act. p. 4461
7. FOREIGN TRADE. Received a Nevada Legislature memorial urging that the 1934 Trade Agreements Act be permitted to expire on June 30, 1958. p. 4462
8. LOANS. The Veterans' Affairs Committee voted 11 to 6 not to report H.R. 6359 and 6360, to authorize the Administrator of Veterans' Affairs to prescribe a rate of interest on guaranteed, insured, and direct loans of not more than 5 percent per annum. p. D278

SENATE

9. CORN. The Agriculture and Forestry Committee reported (Apr. 1) without amendment S. 1771, by Sen. Humphrey, to provide for a 1957 corn-base acreage of 51 million acres (S. Rept. 198). p. 4304
10. LANDS. The Interior and Insular Affairs Committee ordered favorably reported with amendment S. J. Res. 12, providing for transfer of right of way for Yellowtail dam and reservoir, Hardin unit, Missouri River Basin project, and payment to the Crow Indian tribe in connection therewith. p. D276
11. WOOL FUTURES. This office has a few copies (for reference and lending purposes) of a staff study, issued by the Senate Agriculture and Forestry Committee (as a "committee print") on the wool and wool top futures market. The report provides information on several aspects of the futures market, with particular reference to volume of trading, speculative and hedging commitments, prices, and other factors pertinent to trading activity.

ITEMS IN APPENDIX

12. RECLAMATION. Rep. Gavin inserted a speech by Col. Sprague of the Corps of Engineers, on the Allegheny River Reservoir project. pp. A2635-8
13. BUDGET. Rep. Roosevelt commented "I want to emphasize that there are many ways to combat inflation--a cut in Government spending is only one approach and often not the wisest one," and inserted a letter from the Western division of the National Postal Transport Ass'n, urging restoration of the budget cuts made in postal operations. pp. A2641-2
14. POULTRY. Rep. Sullivan stated "many of us in the House of Representatives feel that a mandatory poultry inspection law will not adequately protect consumers and poultry workers unless it provides for some form of mandatory ante mortem or before-slaughtering inspection," commented that technical personnel of the Department testified differently concerning this inspection than political appointees, and inserted a news story on the House hearings on poultry inspection bills. pp. A2643-4
15. SURPLUS FOOD. Rep. Breeding inserted an editorial alleging that food surpluses were bound to disappear with the continual reduction in farm acreage for factories, homes, and other improvements. pp. A2644-5
16. FARM PROGRAM. Rep. Coad inserted an editorial stating "It is hard to imagine the ill-will that this man Benson has against him in this area," and urging that the facts of the farm problem be presented to the city people and the legislatures. p. A2649